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[COMMITTEE PRINT]

FORTY-FOURTH REPORT TO CONGRESS

(January 1 Through June 30, 1974)

OF THE

DEPARTMENT OF DEFENSE

In Accordance With Section 2455, Title 10, U.S.C.

(Formerly Section 8 of Public Law 426, 82d Congress)

ON THE

DEFENSE CATALOGING AND STANDARDIZATION ACT OF 1952

REPORT

OF THE

ARMED SERVICES INVESTIGATING SUBCOMMITTEE

OF THE

COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES

NINETY-THIRD CONGRESS
SECOND SESSION

OCTOBER 30, 1974

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LETTER OF TRANSMITTAL

WASHINGTON, D.C., *September 23, 1974.*

Hon. F. EDWARD HÉBERT,
Chairman, Committee on Armed Services,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: As prescribed by Section 2455, Title 10, United States Code, there is transmitted herewith the Forty-Fourth Semiannual Report on the Department of Defense Cataloging and Standardization Programs. This report covers the period from January 1 through June 30, 1974.

Reports on these two programs have been combined in accordance with the provisions of Section 2455. Inasmuch as the Congress in its legislation directed that the Secretary of Defense report any other data which he considers will best inform Congress on the status of the Cataloging and Standardization Programs, there is included information concerning such Department of Defense Programs as Materiel Utilization, Provisioning Screening, North Atlantic Treaty Organization (NATO) Codification, Item Management Responsibilities and the Parts Control System. These programs are directly associated with the development and/or utilization of cataloging or standardization data and have been initiated to provide additional means of insuring more effective utilization of materiel resources.

Sincerely,

ARTHUR I. MENDOLIA,
Assistant Secretary of Defense
(Installations and Logistics).

44TH SEMIANNUAL REPORT, DEPARTMENT OF DEFENSE CATALOGING AND STANDARDIZATION PROGRAMS, JANUARY 1–JUNE 30, 1974

Federal Catalog Program

ITEMS MANAGED BY THE UNITED STATES GOVERNMENT

During the reporting period 104,055 items were added to and 74,692 items were deleted from the U.S. Government portion of the Federal Catalog System files. This resulted in a government-wide inventory of 3,970,535 items, a net increase of 29,363 during the period. This total includes Federal Stock Numbers (FSNs) assigned to items managed by the civil agencies, as well as to items managed by the Department of Defense (DOD).

SEMIACTIVE ITEMS

This report contains a category of items called "semiactive". A semiactive item is defined as a potentially inactive Federal Stock Numbered item of supply which must be retained in the system as an item of supply because stocks of the items are in use or on hand below the wholesale level. The item is not currently stocked at the wholesale level, nor is future wholesale stockage authorized. Although the semiactive items are included in the active totals, it is now possible to more clearly identify active items at the wholesale level. Also, the efficacy of efforts to reduce the total number of active items within the system will become more readily apparent.

FEDERAL CATALOG SYSTEM TOTALS

In addition to the 3,970,535 items managed by the U.S. Government, 444,554 items were recorded in the central Federal Catalog System files as being managed solely by NATO countries or agencies, or by other friendly nations. Thus, 4,415,089 FSNs represented active items of supply as of 30 June 1974 and include 55,888 semiactive items. The central files also contained 1,303,535 item identifications in an inactive status (without recorded managers). Item identification requests from participating activities are being screened in a single processing cycle against both active and inactive identifications in the total file of 5,718,624 items. The matching of incoming new submittals (requests for FSN assignment) against inactive item identification make possible the reactivation of some inactive numbers, thus avoiding assignment of new FSNs.

ITEMS MANAGED BY THE DEPARTMENT OF DEFENSE

The ending inventory for this reporting period indicates 3,661,425 items, including 55,888 semiactive items, managed by DoD, a net increase of 24,265. This was the result of 92,664 additions to and 68,399

deletions from the Federal Catalog File. 82,294 of the 92,664 additions were accounted for by assignment of FSNs to new item identifications. The remaining were reactivations of inactive item identifications and reinstatement of previously canceled items.

ANALYSIS OF DEPARTMENT OF DEFENSE ITEMS

As of the end of the reporting period, and within the total of 3,661,-425 DoD item identifications, there were 2,875,210 which reflected items centrally managed, stocked, stored and issued. Of this latter quantity, 160,837 were designated as having no requirement for future procurement and should become inactive when existing wholesale stocks are exhausted.

CHRONOLOGY OF ITEMS USED BY THE MILITARY SERVICES

The following table reflects the total quantities of items recorded in the central files of the Federal Catalog System as being used by the Army, Navy, Air Force, and Marine Corps on the 30th day of June for the years 1971 through 1974. The figures include items for which the military services operate as their own inventory managers and also those items for which the military services operate only as retails managers. Excluded from the U.S. Army figures are U.S. Army Tank Automotive Command (USATACOM) items. These items have been included under "Other Items Subject to Integrated Management."

Military Service	June 30, 1971	June 30, 1972	June 30, 1973	June 30, 1974
Army	1,089,542	975,902	891,381	875,628
Navy	1,573,024	1,649,461	1,673,458	1,724,448
Air Force	1,794,784	1,718,072	1,683,224	1,720,090
Marine Corps	266,237	273,422	262,891	278,649

COMMONALITY OF ITEMS AMONG THE MILITARY SERVICES

The total shown for each Military Service includes many stock numbers which are used also by one or more of the other three Services and which are, therefore, included in their totals as well. The degree to which this commonality exists among the Services is revealed by the following table:

Military service	Total	Used also by 1 or more of the other services	Percentage commonality
Army	875,628	452,550	51.7
Navy	1,724,448	558,740	32.4
Air Force	1,720,090	586,540	34.1
Marine Corps	278,649	200,669	72.0

ITEMS MANAGED BY THE DEFENSE SUPPLY AGENCY

Of the 3,661,425 items recorded in the central files as being managed by DoD, on 30 June 1974, 2,565,814 items, or 70.1 percent were in the 331 commodity classes assigned to the general cognizance of the DSA for integrated materiel management. Of these 1,783,298 items, or 69.5 percent, were designated for inventory management by DSA, including 63,988 items which were designated by DSA as authorized for local procurement. The remaining 30.5 percent are retained for management by the Military Services. During the period, 20 FSCs

were designated for integrated management by the Defense Supply Centers under DSA. The FSCs are 3605, 3615, 3625, 3630, 3640, 3645, 3915, 4230, 4430, 6310, 6330, 6770, 7540, 7650, 8130, 9410, 9420, 9430, 9440, 9450.

OTHER ITEMS SUBJECT TO INTEGRATED MANAGEMENT

On 30 June 1974, there were 2,219 items in the three classes of tires and tubes assigned to the U.S. Army Tank Automotive Command (USA-TACOM), of these, USATACOM was recorded as integrated manager on 2,187 items. USATACOM's mission includes integrated management of items peculiar to combat and tactical vehicles of Army design in any FSC class. USATACOM is presently recorded as the integrated manager for 44,603 items in other classes, making a total in all classes of 46,790 items.

GSA has been assigned integrated materiel management for 68 FSC classes. At the end of the reporting period, there were 100,257 DoD items in these classes and GSA was recorded as the integrated manager for 65,968 of these items.

ITEMS MANAGED BY THE CIVIL AGENCIES

GSA prepares and submits catalog data on behalf of all civil agencies except the Federal Aviation Administration (FAA) and the Coast Guard which prepare and submit their own data. At the end of the reporting period, the central files included 309,110 items recorded as being managed by civil agencies only, and an additional 194,090 items managed in common with DoD or a total of 503,200 items. During the reporting period, 16,836 items were reported as entering the civil agency supply system and 12,318 as being deleted, resulting in a net increase of 4,518 items.

PARTICIPANTS IN THE FEDERAL CATALOG SYSTEM

At the end of the period, the central cataloging files and processing operations were serving the needs of 60 wholesale and retail materiel managers in DoD and 79 in the civil agencies. In certain commodity areas, proposed new and revised DoD item identifications are first reviewed by the cognizant Defense Technical Review Activity (DTRA), as a function of the DoD Item Entry Control Program, before being forwarded to the central cataloging files for final review and assignment of FSNs when appropriate. Currently, there are 10 DTRAs and each DTRA is a satellite submitter on the wire service of an established cataloging activity. In addition, cataloging services were furnished to 11 NATO countries, 5 other friendly foreign nations, and 2 NATO agencies.

MANUFACTURERS' DATA

Latest records show 82,484 currently valid manufacturers' codes in the Cataloging Handbook, Federal Supply Code for Manufacturers (FSCM). The FSCM is a coding system of five-digit numbers assigned to establishments which are manufacturers of items of supply procured by agencies of the Federal Government. Represented in the publication are 49,262 U.S. and Canadian manufacturers. The remaining 33,222 identify manufacturers in other NATO countries and other friendly nations. Of the total number of assigned manufacturers'

codes, 35,148 are referenced in the central files to 9,832,615 manufacturers' part or reference numbers. These reference numbers are cross-referenced to 5,634,366 Federal Stock Numbers (FSNs). The remaining 84,258 FSNs in the central screening files represent items not requiring reference numbers for identification purposes. Of the 82,484 valid manufacturers' codes, 19,220 have been assigned 2,771 association codes, indicating that these manufacturers' codes relate to manufacturers who are members of a larger corporate complex, each association code representing one such complex. In cataloging operations, these association codes help reveal duplicates which otherwise would give the appearance of being separate and distinct items.

CONSOLIDATED MANUFACTURERS/NONMANUFACTURERS FILE

The "Handbook for Nongovernment Organization Codes for Military Standard Contract Administration Procedures (MILSCAP)" contains data from a consolidated Federal Supply Code for Manufacturers/Federal Supply Code for Nonmanufacturers (FSCM/FSCNM) File. This basic publication contains 119,061 coded facilities and is used in the mechanical interchange of data required by MILSCAP and the agencies/activities Automated Data Processing Systems.

MANUFACTURERS' PART AND DRAWING NUMBERING SYSTEMS

The Cataloging Handbook, H–7, now contains 480 summaries of numbering systems. Some of these pertain to the entire corporate complex and others pertain only to one facility. There are 2,733,974 reference numbers and 2,413,179 Federal Stock Numbers recorded against the FSCMs assigned to the manufacturers utilizing these numbering systems.

FEDERAL CATALOG SYSTEM IMPROVEMENTS

The following paragraphs detail actions taken during the reporting period to improve the comprehensiveness, quality, accuracy, responsiveness, efficiency and utilization of the Federal Catalog System.

FEDERAL SUPPLY CATALOG PUBLICATIONS

The Master Cross Reference (RL) Part One (Reference Number FIIN) and Part Two (FSN to Reference Number) is published on 48:1 microfiche by a Government Printing Office contractor. Magnetic tapes of the 1974 RL are also furnished to the Department of Commerce for sale to the general public (RL Part One only).

PROVISIONING SCREENING

During the reporting period, 2,452,237 manufacturers' reference numbers were screened against the master files in support of provisioning actions; 954,871 or 39.0 percent were matched to existing FSNs. There were 449,109 FSNs screened for the same purpose. Additionally, there were 1,210,351 manufacturers' reference numbers screened against the master file, of which 278,322 or 23.0 percent matched existing FSNs for purposes other than provisioning, i.e., to obtain management data recorded in the master file, such as item user information, validation of FSNs, standardization decisions, related manufacturers' codes and reference numbers and to provide support to procurement. Also, there were 1,910,955 FSNs screened for this purpose.

In addition to the above, provisioning screening also provides the capability (by matching reference numbers to FSNs) for the screening of Program PLUS files to ascertain the availability of assets for materiel utilization purposes. During this reporting period, assets were found to exist for 2.9 percent of the FSNs matched.

PARTICIPATION IN THE NATO CODIFICATION SYSTEM

During the reporting period, 46,589 numbers (reference number or FSN) were processed against the central files; 137,985 ownership registrations were processed and the pertinent EAM file data on cards or ADP tape were furnished; and 6,619 originial item identifications were prepared under the applicable international agreements.

As of 30 June 1974, a gross total of 2,607,383 management registrations were recorded to 11 NATO countries, 10 other friendly foreign governments and 2 NATO agencies. The quantity of management registrations by country or agency was as follows:

NATO countries

Belgium	280, 352	Germany	636, 103
Canada	133, 226	Italy	62, 553
Denmark	2, 361	Norway	266, 637
France	298, 378	United Kingdom	192, 753
Netherlands	1, 175	Turkey	5, 541
Greece	5, 161		

Other friendly governments

Australia	436, 899	South Africa	63, 061
Japan	14, 870	Iran [1]	442
Brazil [1]	60	Philippines [1]	21
Israel	11, 585	Spain [1]	259
South Korea [1]	77	New Zealand	15, 496

NATO agencies

NATO Supply Center	74, 150
Logistics Working Group	106, 223

[1] DLSC does not furnish catalog services to these friendly foreign governments. Management registration in the DLSC files was recorded by the U.S. Military Services under the Foreign Military Sales Program.

The net total of FSNs with registered foreign managers was 1,344,-294. Of this total, 444,554 were managed solely by foreign governments and the remainder, 899,740, were managed by one or more U.S. activities, as well as by one or more foreign governments.

ITEM MANAGEMENT RESPONSIBILITIES FOR DOD USED ITEMS

The following table displays the wholesale and retail management responsibilities of the 3.7 million items used by DoD. The Federal Catalog Program is the vehicle that collects, maintains and disseminates the management data elements necessary to assist in making management assignments and to achieve the overall DoD objective of "one item one manager" for all DoD used items.

The DoD wholesale manager can take three forms:

1. The Commodity Integrated Materiel Manager (CIMM); i.e., DSA, GSA, TACOM, etc., which is defined as an activity designated to exercise Integrated Materiel Management for a FSC Group/Class, commodity or item on a DoD or Federal Government-wide basis. The CIMM functions normally include computation of requirements, funding, budgeting, storing, issuing, cataloging, standardization, procurement and disposal.

2. The Weapons Integrated Materiel Manager (WIMM), which is the Military Service Inventory Control Point that performs the DoD or Federal Government-wide Integrated Materiel Manager functions as outlined in 1. above for assigned items.

3. The Military Inventory Manager (MIM), which is an activity assigned the prime responsibility for the inventory management of a reparable, investment or end item of supply within a particular Military Service/Agency.

The retail manager takes two forms:

1. A Service Item Control Center (SICC) which performs the residual materiel mangement or retail management functions for a weapons system oriented consumable item of supply when the wholesale materiel management functions for the item have been assumed by a Weapons Integrated Materiel Manager (WIMM), or the principal of an inter-service supply support agreement for a reparable, investment or end item where wholesale inventory management responsibility has been assumed by another Service in the role of an agent.

2. The Military Retail Manager (MRM) which is an activity within a Service/Agency having retail responsibility for an item of supply where the wholesale materiel management functions are performed by a Commodity Integrated Materiel Manager.

The figures in columns one and two are the total number of items (3,105,230) currently under the single integrated management concept regardless of the number of activities using the items.

The quantity of items shown in column three falls into three categories: (1) Reparable Items, (2) End Equipments, and (3) Consumable Items. The latter category is scheduled to be transferred to the wholesale manager concept. The total shown in the vertical columns are net DoD figures for CIMM, WIMM and Total DoD Managed Items. The totals for MIM, SICC of Principal, and MRM are gross registrations because a single item may be in the inventory of more than one Service. The total DoD Managed Item column reflects net item registrations in each case.

Activity	CIMM	WIMM	MIM	SICC or principal	MRM	Total DOD managed items
Army	46,790	166,465	81,102	14,899	613,162	922,418
Navy		460,705	225,067	68,267	970,410	1,724,448
Air Force		538,797	261,683	62,355	857,266	1,720,090
Marine Corps		28,285	11,232	22,283	216,849	278,649
DSA	1,783,600					1,783,600
Other DOD		14,189	31,366	2,515	21,357	69,337
GSA [1]	66,411					66,411
Total	1,896,801	1,208,429	610,450	170,319	2,679,044	3,661,425

[1] These items are managed by GSA but used by DOD.

FSC MICROFICHE FILE

The 1971 microfilm basic will be completely replaced when the last of the three remaining increments is processed, published and distributed in August 1974. The present schedule calls for the issuance of a new basic combining all basics and bimonthly updates published during the 16-month conversion process. A new basic will be issued at one year intervals with five bimonthly updates published and distributed between the yearly issues.

During this period a total of 826,786 microfiche were provided to the subscribers of the new class basics and bimonthly updates. It is anticipated that the three increments that are in process will consist

of approximately 12,909 microfiche to accommodate the remaining item identification to be published.

IDENTIFICATION LISTS

Beginning 1 October 1973, Identification Lists (ILs) previously published by the Defense Supply Centers (DCSs) were made available on 48:1 microfiche to all DoD activities, civil agencies, other governmental and public agencies having the need for item descriptive data.

A total of 12,580,939 microfiche have been distributed during the first months of operation.

MATERIEL REUTILIZATION

The central mechanized screening system (PLUS) provides a mechanized means of matching potential and/or declared excess assets of one Service/Agency against the requirements of another user within the Department of Defense. Mechanized matching is keyed on the FIIN portion of the FSN; therefore, the Federal Catalog System provides the base which makes the system possible.

During the reporting period, releasable assets valued at $63.7 million were offered to satisfy reported requirements of materiel managers. During the same period, Defense Property Disposal Service (DPDS) received transaction reports indicating that of the materiel offered, approximately $21.5 million had been accepted for transfer and $10.1 million had been shipped.

The cataloging file contains descriptive data keyed to the FIIN. This has been invaluable in the reporting of declared excess materiel from the Defense Property Disposal Offices (DPDOs) to DPDS. Declared excess assets with few exceptions can be reported mechanically by FSN to DPDS and upon receipt can be matched against the description file to provide the item description required. Through this program, declared excess assets are screened by various methods, such as declared Excess Personal Property Listings (DPPLs), High Value Flyers, High Value Phone Referrals, Front End Screening (FES) Referrals, Final Assets Screening (FAS) offers and offers of materiel to fill Want List requirements to obtain reutilization of declared excess and surplus property.

Another reutilization technique used is advertising potential excess property for the Services when referred for specialized screening consideration. This effort usually involves weapon system excesses which are advertised by flyer for single items or by brochure for large systems.

The total transfers of declared excess and surplus through the aforementioned efforts during the reporting period were $87.6 million. The EPPLs, published weekly, utilize the complete FSN where available, along with descriptive data in layman's language or the manufacturer's code and part number. During the reporting period $390.2 million worth of assets were advertised via the DPPL, with $20.3 million being transferred. The flyer goes a step further than the EPPL and provides a picture of the excess material along with alternate uses for the equipment, where available. During the reporting period, $46.8 million worth of assets were advertised via the High Value Flyer with $22.5 million begin transferred. Where there is a potential user of high value declared excess assets, phone referrals are made. During the reporting period $11.2 million was offered via telephone and $9.6 million was transferred. In an effort to inform

Service/Agency item managers of those single Service/Agency user and integrated managed items reported as declared excess or surplus by the Defense Property Disposal Office (DPDO), these items upon receipt at DPDS are matched against the single Service/Agency user and integrated manager item file. All matches are referred to the appropriate Service/Agency item managers. Of the declared excess and surplus assets referred, 1685 line items valued at $2.2 million were transferred to the DSA Centers and 1023 line items valued at $2.1 million were transferred to the Services.

The "want list" is another reutilization approach to locate available excess equipment, and authorizing the transfer to satisfy a requirement. The want list contains those items not currently available and maintained until the requirement is filled or cancelled. During the reporting period a total of 1597 items valued at $12.3 million were reutilized by this effort.

DEFENSE TECHNICAL REVIEW ACTIVITIES

On 1 January 1974 the monitorship of the Defense Technical Review Activities (DTRAs) was transferred from the Defense Item Entry Control Office (DIECO) to the Catalog Administrator, Defense Supply Agency (DSA).

During the reporting period from 1 January 1974 through 30 June 1974, there were 104,100 requests for new Federal Stock Numbers (FSNs) processed through the DTRAs. As a result of the reviews performed by those activities, 21,400 (21%) of these requests were identified to an existing FSN or a potential replacement item. An additional 18,800 (18%) requests were returned to originating activities for corrective action and 1700 (2%) were corrected by the DTRAs without return to the originator.

Standardization Section

Defense Standardization Program

Within the Department of Defense the standardization of materiel is a joint responsibility of the Director DDR&E and the Assistant Secretary of Defense (I&L), operating through the Defense Materiel Specifications and Standards Board (DMSSB) which was established by revision to Department of Defense Directive 4120.3 and dated 6 June 1973. The DMSSB develops policies and procedures for the implementing program.

Defense Materiel Specifications and Standards Board

The DMSSB is comprised of senior executives for engineering and for logistics from the Office of the Secretary of Defense and each of the three Military Departments, plus a logistics member from the Defense Supply Agency. The Board meets periodically to consider policy, procedural and technical problems of a broad nature. Panels, pertinent to technological areas, have been established by the DMSSB for electronics, materials, metrication, and clothing and textiles. The panels, within their respective charters, conduct studies, perform analysis and develop policy recommendations for consideration by the DMSSB.

Scope of the Defense Standardization Program

The Defense Standardization Program (DSP) encompasses the broad range of equipments, parts, materials, processes and practices described in specifications, standards, engineering drawings, and pur-

chase descriptions which are prepared and used by the Department of Defense activities. The DoD Index of Specifications and Standards lists more than 42,000 active documents (33,900 in the Military series and 5,000 in the Federal series in addition to 700 industry standards which have been adopted for use by DoD and have equal status). The sum of all of the documents issued by industry associations and professional societies in the United States is less than 20,000. Many of these are used as subordinate references in the documentation enumerated above.

Consolidation of Documents

Since passage of Public Law 436, 82nd Congress, 4,400 specifications and standards have been consolidated into 1,609 specifications. During this reporting period 74 documents were consolidated into 10.

Maintaining Documents Current

There is a continuing program of reviewing and updating of standardization documents which has resulted in the identification of 10,204 documents which have not been acted upon for five or more years. Of this number, 4,894 have been validated as current, and 521 have been cancelled as no longer needed. The remainder (4,789) are awaiting review action by the responsible activities. During the last year, 215 of these documents have been cancelled and 1,729 have been validated for current use.

Adopting Industry Documents

The broad standards program of the Department of Defense has as an objective greater utilization of industry documents. One such action completed during the reporting period was the revision of Federal Standard 141 which replaced 103 Federal Test Methods with 103 Industry Test Methods (developed and coordinated under the auspices of the American Society for Testing and Materials). A significant benefit is the common use by industry and government of the same methods.

Item Reduction

As a result of actions taken under the DSP to reduce the number of sizes, kinds and types of items that are generally similar, there are now 109,975 stock numbered items which have been identified in the Federal Cataloging records as "not to be procured." These items are awaiting attrition by cognizant supply managers. The number of items so identified has increased 28,365 since the last report.

Significant Actions

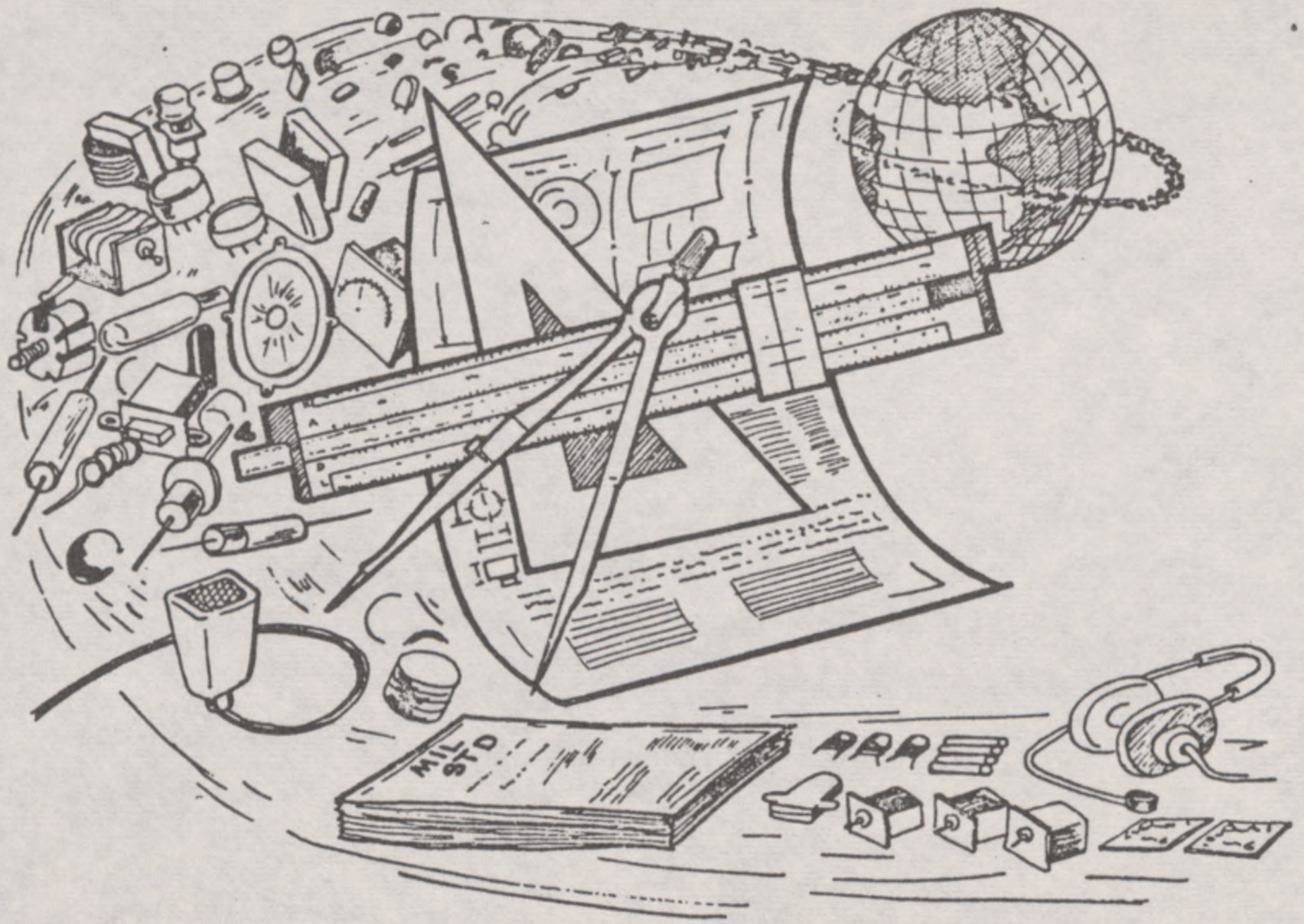
The Department of Defense Parts Control System, described in briefing format, is presented in lieu of the numerous summaries which have been part of past semiannual reports. Portions of the previous reports have disclosed the concept of the Military Parts Control Advisory Groups, but a clearer understanding can be derived from the comprehensive, yet abbreviated presentation.

Of particular significance is the increase in the number of standard parts being used and the methods used to update specifications in the electronic parts category.

Future reports will each provide another aspect of the Defense Standardization Program.

DESC

THE DEPARTMENT OF DEFENSE PARTS CONTROL SYSTEM



military parts control advisory group (MPCAG)

1 JAN 1974

THIS IS AN INFORMATION BRIEFING ON MPCAG'S ROLE IN THE DEPARTMENT OF DEFENSE PARTS CONTROL SYSTEM. DURING THE BRIEFING, WE WILL USE THE ACRONYM "MPCAG" IN REFERRING TO THE MILITARY PARTS CONTROL ADVISORY GROUP. THE BRIEFING IS DIVIDED INTO FIVE SECTIONS:

40-997 O - 74 - 2

DESC

DoD parts control system

DESC military parts control advisory group

"MPCAG"

1. BACKGROUND
2. METHOD OF OPERATION
3. HOW PARTS CONTROL SAVES MONEY
4. FY-1973 RESULTS
5. SUMMARY

STARTING WITH THE BACKGROUND ----------

DESC

DoD parts control system

DESC military parts control advisory group

"MPCAG"

1. BACKGROUND
2. METHOD OF OPERATION
3. HOW PARTS CONTROL SAVES MONEY
4. FY-1973 RESULTS
5. SUMMARY

→ *(For presentations to activities not familiar with DESC and DSA)*

MPCAG IS THE ONLY ORGANIZATION OF ITS KIND IN THE DoD. IN REALITY, WE ARE THE DIRECTORATE OF ENGINEERING STANDARDIZATION. WE WORK FOR REAR ADMIRAL J. A. SCOTT, USN, COMMANDER OF THE DEFENSE ELECTRONICS SUPPLY CENTER (DESC), WHICH IN TURN IS PART OF THE DEFENSE SUPPLY AGENCY DIRECTED BY LT. GEN. W. H. ROBINSON, JR., USMC. OUR ENGINEERING DIRECTOR IS COLONEL JOE MARTINO, USAF. YOU CAN FIND US ON WILMINGTON PIKE IN DAYTON, OHIO.

→ *(For presentations to individuals and activities familiar with DESC and DSA)*

MPCAG IS THE ONLY ORGANIZATION OF ITS KIND IN THE DoD. IN REALITY, WE ARE THE DIRECTORATE OF ENGINEERING STANDARDIZATION WITHIN DESC. WE HAVE 4 OPERATING DIVISIONS AND 11 BRANCHES AS SHOWN ON THIS SLIDE.

DESC

DIRECTORATE OF ENGINEERING STANDARDIZATION

PARTS CONTROL DIVISION

Plans and Programs Branch

Document Processing Branch

QUALIFICATIONS DIVISION

Tubes and Parts Branch

Solid State & Elec. Dev. Br.

Passive Devices Branch

CIRCUIT DEVICES DIVISION

Tube Branch

Solid State Branch

Passive Devices Branch

ELECTRO-MECHANICAL DIVISION

Transmission Devices Branch

Electrical Devices Branch

Material and Parts Branch

HERE IS A BRIEF OUTLINE OF WHAT WE DO. OUR MISSION IS TO PROVIDE AN ENGINEERING SERVICE FOR THE MILITARY DEPARTMENTS -- OUR MOST IMPORTANT JOB IS TO PROVIDE PARTS CONTROL SUPPORT FOR SYSTEMS PROGRAMS MANAGERS -- TO AMPLIFY THIS WE DEVELOP LISTS OF PREFERRED PARTS FOR NEW DESIGN, PREPARE MIL SPECS FOR ELECTRONIC AND ELECTRICAL PIECE PARTS AND QUALIFY VENDORS' PRODUCTS WHO MEET THE REQUIREMENTS OF PREFERRED MIL SPEC ITEMS -- BECAUSE OF OUR UNIQUENESS AND TECHNICAL CAPABILITY THE DoD HAS DESIGNATED US TO MANAGE THE DoD STANDARDIZATION PROGRAM FOR ELECTRONIC PARTS -- A NO MEAN TASK SINCE WE MUST DEVELOP A VIABLE COORDINATED PROGRAM BETWEEN THE MILITARY DEPARTMENTS, INDUSTRY AND THE DEFENSE SUPPLY AGENCY. OUR ROOTS DATE BACK TO THE SIGNAL CORPS STANDARDS AGENCY ESTABLISHED IN 1943.

DESC

DIRECTORATE OF ENGINEERING STANDARDIZATION

HISTORY

SIGNAL CORPS STANDARDS AGENCY _____ JANUARY 1943

ARMED SERVICES ELECTRO-STANDARDS AGENCY (ASESA) _____ MARCH 1949

TRANSFERRED TO DESC _____ JULY 1962

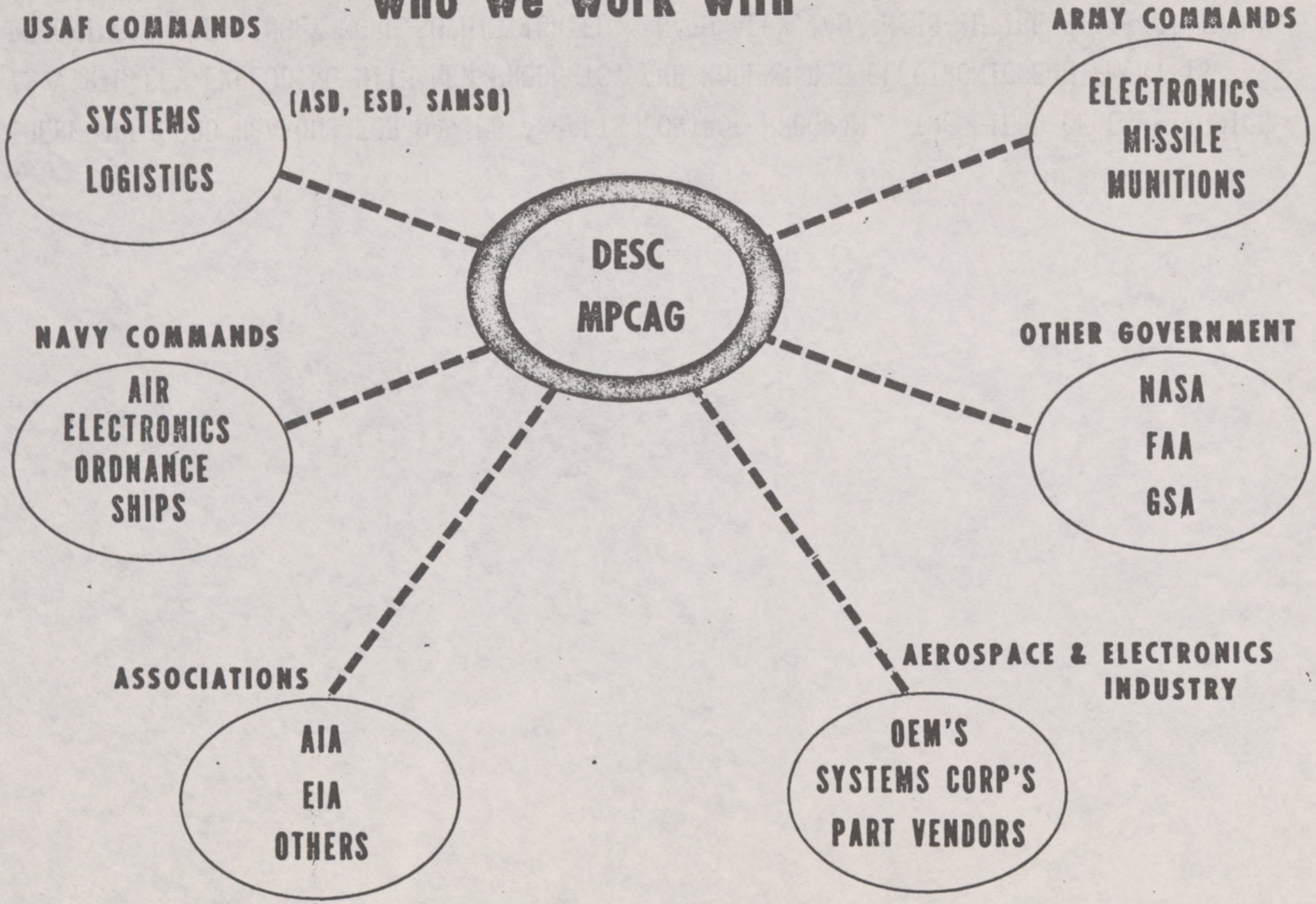
WHAT WE DO

- PROVIDE PARTS CONTROL SUPPORT FOR DOD SYSTEMS PROGRAMS MANAGERS
- MILITARY DEPARTMENT AGENCY FOR MIL SPECS AND STDS
- ADMINISTERS QUALIFICATION PROGRAM (QPLs)
- DOD STANDARDIZATION MANAGER FOR ELECTRONIC PARTS

AS YOU CAN SEE FROM THIS CHART WE ARE NOT WORKING IN A VACUUM. AS DoD STANDARDIZATION MANAGER FOR ELECTRONIC PIECE PARTS WE MUST WORK CLOSELY WITH ENGINEERS IN GOVERNMENT AND INDUSTRY IN DEVELOPING AN EFFECTIVE PARTS STANDARDIZATION PROGRAM. BASED UPON THE SERVICES' REQUIREMENTS, WE WRITE MORE SPECIFICATIONS AND STANDARDS FOR ELECTRONIC PARTS THAN ALL OTHER ORGANIZATIONS COMBINED IN THE DoD. TO DO THIS WE MUST WORK CLOSELY WITH THE ENGINEERS IN THE ACTIVITIES SHOWN ON THE CHART.

DESC

who we work with



THERE ARE GOOD REASONS FOR HAVING A PARTS CONTROL PROGRAM. THE FIELD OF ELECTRONICS IS VIRTUALLY EXPLODING WITH NEW PRODUCTS, AND MODERN DoD ELECTRONIC EQUIPMENT IS BECOMING INCREASINGLY MORE SOPHISTICATED. NATURALLY, ADVANCES IN THE STATE OF THE ART ARE EXPENSIVE. TO COMPOUND THE PROBLEM, WE MUST ALSO CONTINUE TO SUPPORT THE OLDER EQUIPMENT STILL IN OPERATION.

DESC

why have a parts control program?

1. EXPLODING TECHNOLOGY

2. EQUIPMENT COMPLEXITY

3. INCREASING COSTS

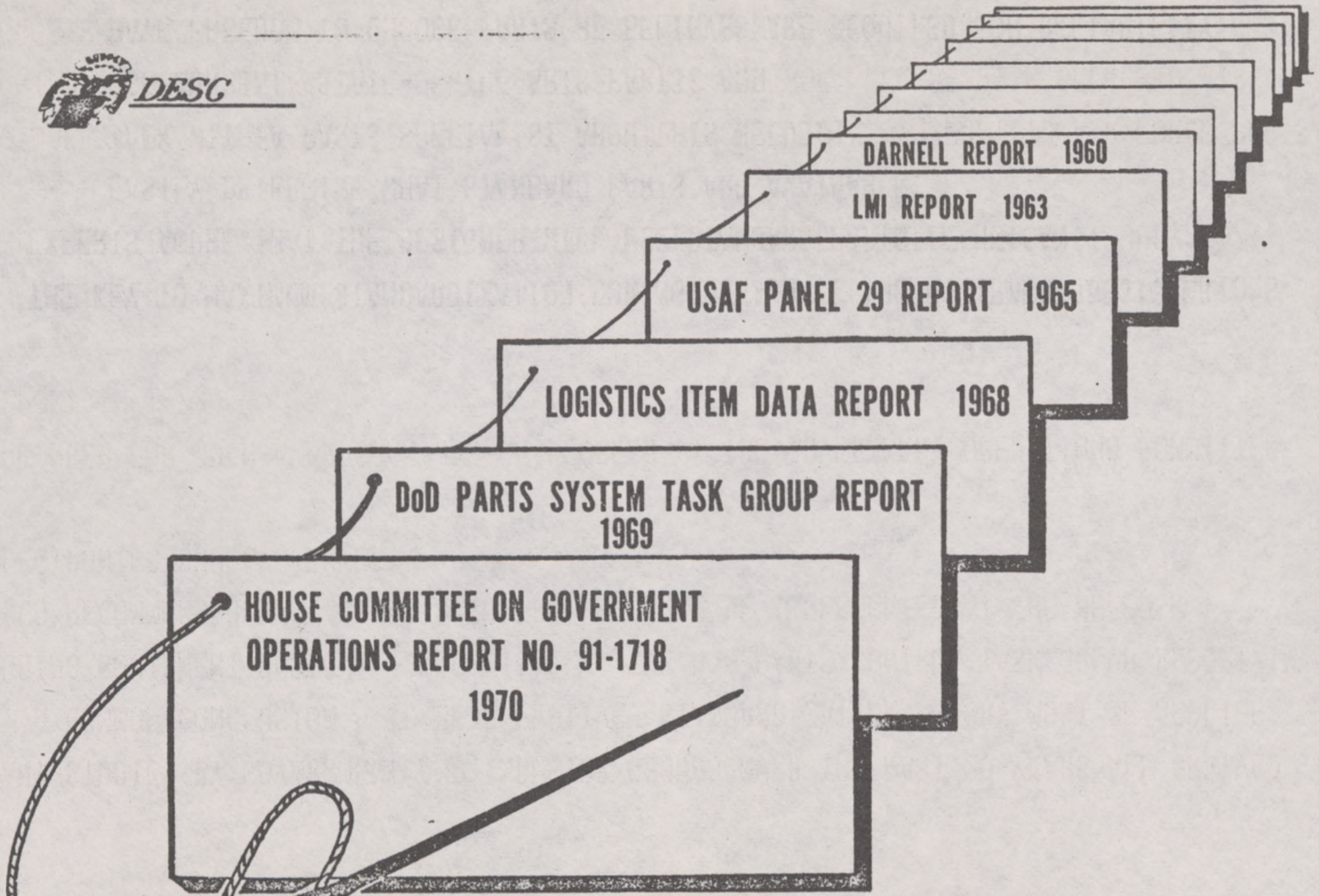
MANY STUDIES BY GOVERNMENT AND INDUSTRY GROUPS OVER THE PAST 20 YEARS ALL ARRIVED AT A COMMON CONCLUSION - TO BE EFFECTIVE, STANDARDIZATION EFFORT MUST BE APPLIED DURING EQUIPMENT DESIGN. SPECIFICALLY, THE DoD PARTS CONTROL TASK GROUP REPORT IN 1969 RECOMMENDED THAT A PARTS CONTROL PROGRAM BE IMPLEMENTED AT THE DEFENSE ELECTRONICS SUPPLY CENTER.

THE NEED FOR SUCH A PROGRAM WAS REINFORCED BY THE GOVERNMENT OPERATIONS COMMITTEE REPORT IN 1970.

IN APRIL 1971, THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE FOR INSTALLATIONS AND LOGISTICS (OASD I&L) DIRECTED THAT THE PROGRAM BE IMPLEMENTED BY 1 JULY 1971.

ACTUALLY, BY AGREEMENT WITH AFSC, WE HAVE BEEN PROVIDING SUPPORT TO AIR FORCE PARTS CONTROL BOARDS SINCE 1968 -- BECAUSE OF PARTS CONTROL SUCCESS WITH SELECTED AIR FORCE PROGRAMS WE NOW HAVE WORKING ARRANGEMENTS WITH ALL OF THE MILITARY SERVICES.

DESC



"standardize during design."

THE KEY TO MAXIMUM STANDARDIZATION DURING DESIGN IS THE EQUIPMENT DESIGNER.
EXPERTS AGREE THAT THE DESIGNER WILL USE STANDARD PARTS IF HE CAN:

EASILY DETERMINE WHAT STANDARD PARTS ARE AVAILABLE;
TALK WITH A PARTS SPECIALIST ABOUT HIS NEEDS;
USE CURRENT "STATE-OF-THE-ART" PARTS; AND
HAVE FREEDOM TO CHOOSE PARTS HE BELIEVES ARE REQUIRED FOR RELIABILITY.

DESC

the equipment designer will use standard parts

if he ------

1. KNOWS WHAT IS AVAILABLE

2. CAN COMMUNICATE HIS PARTS NEEDS

3. MAY USE CURRENT TECHNOLOGY PARTS

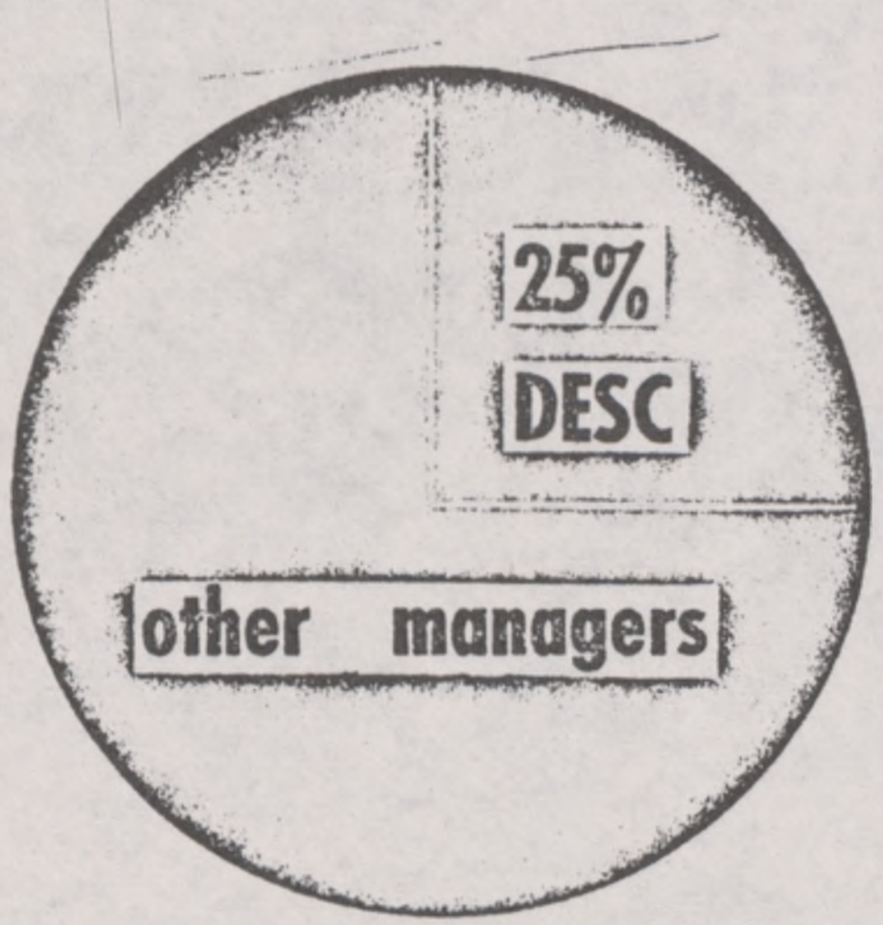
4. IS ASSURED DESIGN FREEDOM

THE DoD SELECTED DESC TO PERFORM THE PARTS CONTROL FUNCTION FOR TWO REASONS. FIRST, DESC'S DIRECTORATE OF ENGINEERING STANDARDIZATION POSSESSED THE PROFESSIONAL CAPABILITY TO DO THE JOB. SECOND, 25% OF NEW LOGISTIC SUPPORT ITEMS FOR EQUIPMENT ARE ELECTRONIC ITEMS IN DESC SUPPLY CLASSES.

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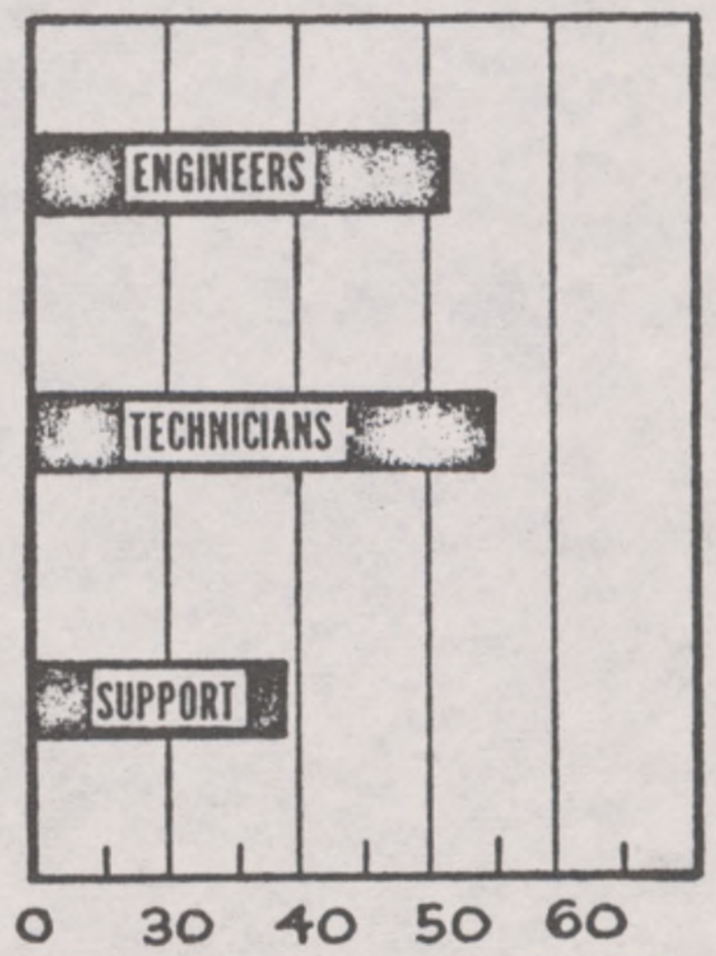
DESC

why was DESC selected to perform parts control



NEW FSN'S

a professional workforce 1973



personnel

I WOULD NOW LIKE TO EXPLAIN HOW MPCAG OPERATES.

DESC

DoD parts control system

DESC military parts control advisory group

"MPCAG"

1. BACKGROUND

2. METHOD OF OPERATION

3. HOW PARTS CONTROL SAVES MONEY

4. FY-1973 RESULTS

5. SUMMARY

ONE OF THE MPCAG PROGRAMS IS TO CONTINUOUSLY COLLECT, REVIEW, ANALYZE AND EVALUATE ALL DoD DATA DESCRIBING NONSTANDARD ELECTRONIC PARTS PREVIOUSLY APPROVED FOR USE IN ELECTRONIC EQUIPMENT. THE PURPOSE OF THIS OPERATION IS TO KEEP MILITARY STANDARDS CURRENT TO THE STATE OF THE ART. HOWEVER, IF WE DO OUR JOB WELL THE REQUIREMENT FOR NONSTANDARD PART DATA WILL DIMINISH -- SINCE WE WILL ACTUALLY UPDATE OUR STANDARDS DURING THE PARTS SELECTION PROCESS OF NEW EQUIPMENT DEVELOPMENT PROGRAMS.

DESC

approved nonstandard data for electronic parts

1. IDENTIFY TRENDS

2. UPDATE SPECS & STDS

3. EXPEDITE ISSUANCE

(For presentations to R&D organizations)

THIS BRINGS US TO THE MAIN PURPOSE OF THE PARTS CONTROL SYSTEM WHICH IS TO PROVIDE WEAPON SYSTEM AND EQUIPMENT DEVELOPMENT CONTRACTORS A CENTRAL POINT OF CONTACT IN THE DEPARTMENT OF DEFENSE FOR ENGINEERING INFORMATION AND RECOMMENDATIONS ON THE SELECTION AND USE OF PREFERRED AND STANDARD MILITARY PARTS IN NEW DESIGN. OUR ULTIMATE AIM IS TO PROVIDE RELIABLE PARTS MEETING THE MISSION REQUIREMENTS OF THE SERVICES AND REDUCE ACQUISITION COSTS BY ELIMINATING REDUNDANT DATA PREPARATION AND ITEM TESTING ON THE PARTS USED BY YOUR CONTRACTORS AND THEIR SUBS. CONCURRENT WITH THIS OBJECTIVE, WE CAN SIMULTANEOUSLY REDUCE THE VARIETY OF PARTS THAT MUST BE PROCURED AND STOCKED AS REPLENISHMENT SPARES WHEN NEW EQUIPMENT AND SYSTEMS ARE PLACED IN THE FIELD. WHILE IT IS NOT AN EASY TASK, THE INDICATORS ARE WE HAVE FOUND A FERTILE FIELD TO OBTAIN TRUE SAVINGS IN THE DEVELOPMENT AND ACQUISITION OF DoD MATERIEL.

(For presentations to logistics organizations)

THE MAIN PURPOSE OF THE PARTS CONTROL SYSTEM IS TO PROVIDE WEAPON SYSTEM AND EQUIPMENT DEVELOPMENT CONTRACTORS WITH A CENTRAL POINT OF CONTACT IN THE DEPARTMENT OF DEFENSE FOR ENGINEERING RECOMMENDATIONS ON THE SELECTION AND USE OF PREFERRED AND STANDARD MILITARY PARTS. THE ULTIMATE OBJECTIVES ARE TO REDUCE THE VARIETY OF PARTS ENTERING THE GOVERNMENT SUPPLY BINS AND PROVIDE RELIABLE PARTS MEETING THE MISSION REQUIREMENTS OF THE SERVICES.

DESC

our main purpose

PROVIDE ENGINEERING RECOMMENDATIONS

TO EQUIPMENT DESIGNERS

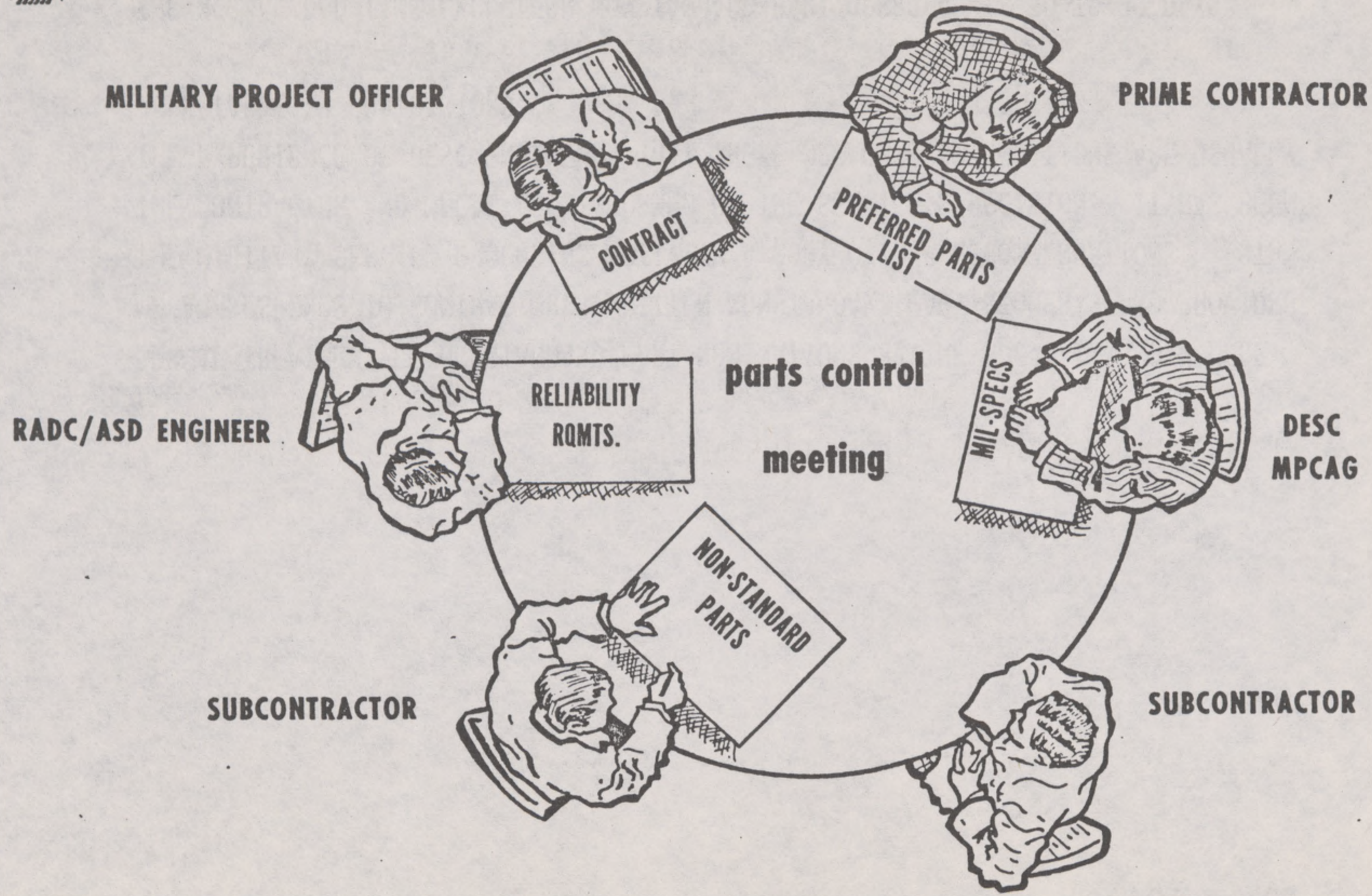
IN SELECTION AND USE

OF STANDARD PARTS

AS THE ADVISORY GROUP, OUR REPRESENTATIVES MEET WITH CONTRACTORS DURING THE EQUIPMENT DESIGN PHASE TO REVIEW THEIR ELECTRONIC PARTS NEEDS.

THE USE OF DoD MILITARY SPECIFICATION PARTS AS STANDARD PARTS IS EMPHASIZED, AND CONTRACTOR NOMINATIONS OF NONSTANDARD PARTS ARE REVIEWED BY OUR ENGINEERS.

SUCH MEETINGS WEED-OUT LARGE VARIETIES OF NONSTANDARD PARTS -- PARTICULARLY THOSE PARTS WITH A HISTORY OF POOR PERFORMANCE -- ALSO AT THESE MEETINGS WE DETERMINE WHAT NEW MIL SPECS SHOULD BE ISSUED TO CONSOLIDATE SUB-CONTRACTOR REQUIREMENTS FOR SIMILAR PARTS INTO ONE DOCUMENT -- THE NEW SPEC DOCUMENTATION IS THEN RE-USED AS ADDITIONAL PROGRAMS ARE ASSIGNED TO US FOR SUPPORT.

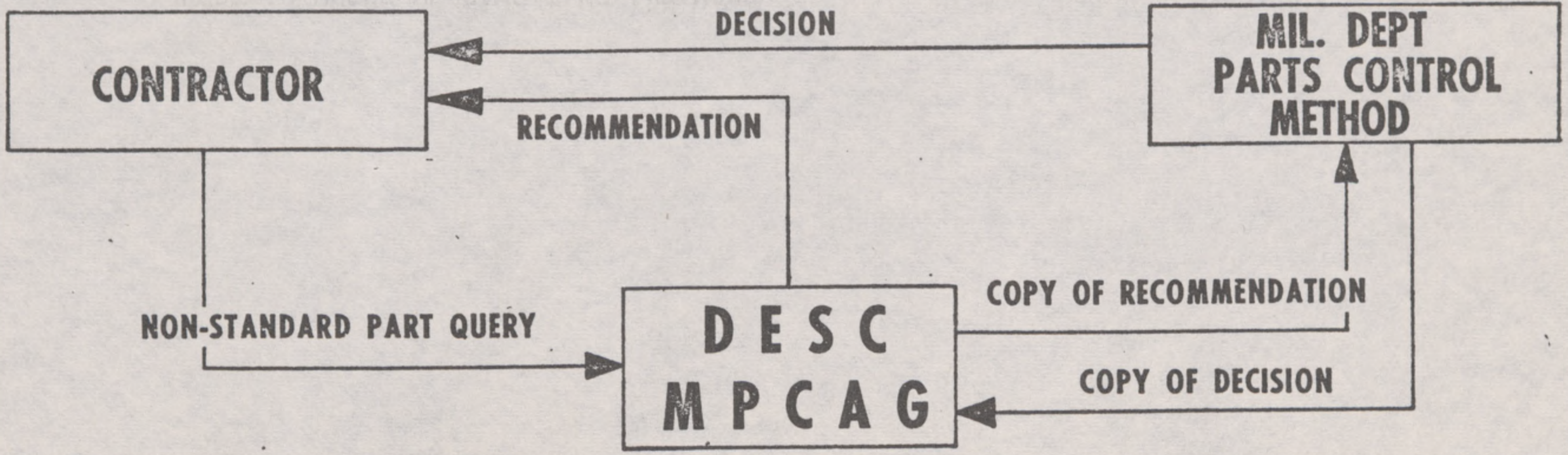

MILITARY PROJECT OFFICER
PRIME CONTRACTOR
CONTRACT
PREFERRED PARTS LIST
RADC/ASD ENGINEER
RELIABILITY RQMTS.
parts control
meeting
MIL-SPECS
DESC
MPCAG
NON-STANDARD PARTS
SUBCONTRACTOR
SUBCONTRACTOR

ANOTHER
~~FORMAL~~ TREATMENT OF NONSTANDARD PART NOMINATIONS BY THE MPCAG IS SHOWN HERE. MPCAG RESPONDS TO CONTRACTORS' WRITTEN NONSTANDARD PART REQUESTS AND PROVIDES THE MILITARY SERVICE PROCURING ACTIVITY A COPY OF OUR RECOMMENDATIONS. BOTH THE CONTRACTOR AND MPCAG ARE INFORMED OF THE SERVICE'S DECISION. IT HAS BEEN. THE EXPERIENCE OF DESC ENGINEERS THAT THESE MPCAG RECOMMENDATIONS ARE USUALLY ACCEPTABLE TO CONTRACTORS.

THE NORMAL DoD TIME CYCLE FOR NONSTANDARD PART APPROVAL IS 30 TO 90 DAYS. HOWEVER, WE PROVIDE AN ANSWER IN 5 TO 10 WORKING DAYS.

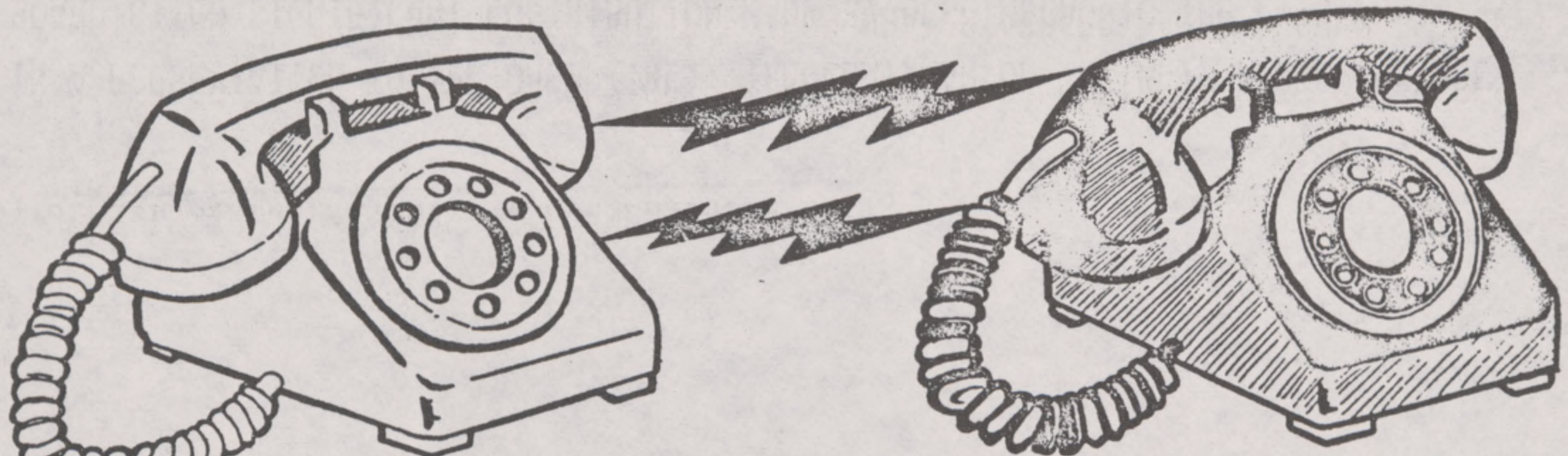
DESC

EQUIPMENT/SYSTEMS NOMINATED BY MILITARY DEPARTMENTS- PARTS SELECTION DECISION PROCESS



HERE IS WHERE WE SAVE TIME AND MONEY.

TO REDUCE PAPERWORK WE ENCOURAGE CONTRACTORS TO CALL DIRECTLY TO OUR PARTS ENGINEERS -- OUR ENGINEERS CAN TELL THEM WHAT STANDARD PARTS SHOULD BE USED AND THEY CAN TELL US WHAT CHANGES SHOULD BE MADE TO OUR MIL SPECS OR WHAT NEW PARTS SHOULD BE MADE STANDARD. OUR ENGINEERS WILL RESPOND IN A TIME SCHEDULE SUITABLE TO THE CONTRACT. TO EXPEDITE PARTS SELECTION, EACH CONTRACTOR IS PROVIDED WITH THE NAMES, TELEPHONE NUMBERS, AND PRODUCT EXPERTISE OF MPCAG ENGINEERS.



contractor

mpcag

→ *(For R&D presentations --- optional for I&L)*

IN A PRESENTATION TO THE OASD (I&L), THE CHAIRMAN OF THE F-15 PARTS CONTROL BOARD CITED SIGNIFICANT CONTRIBUTION MADE BY DESC MPCAG TO THE F-15 STANDARDIZATION PROGRAM BY THE UNPRECEDENTED ISSUANCE OF "INSTANT" MIL SPECS BY DESC -- ONE OF THE MAJOR COMPLAINTS OF THE STANDARDIZATION PROGRAM HAS BEEN THE LACK OF DoD RESPONSE TO CHANGE MIL SPECS TO THE NEEDS OF NEW WEAPON SYSTEMS -- IF A MIL SPEC NEEDS A CHANGE WE PLAN TO DO IT FAST ENOUGH TO MEET THE CONTRACT SCHEDULE.

DESC

instant MIL SPECS

- **30-60 DAYS** ---------- NEW, REVISE OR AMEND
- **SOONER** ---------- IF CONTRACT REQUIRES IT
- **OUR LABOR** ---------- NO COST TO CONTRACT

NOW FOR A LOOK ON HOW THE DoD PARTS CONTROL SYSTEM PROVIDES IMMEDIATE AND LONG RANGE SAVINGS IN THE ACQUISITION OF SYSTEMS AND EQUIPMENT ---

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DESC

DoD parts control system

DESC military parts control advisory group

"MPCAG"

1. BACKGROUND
2. METHOD OF OPERATION
3. HOW PARTS CONTROL SAVES MONEY
4. FY-1973 RESULTS
5. SUMMARY

WE HAVE SHOWN HOW MPCAG SAVES TIME AND EFFORT, HOWEVER, THE SELECTION AND USE OF NONSTANDARD PARTS BY CONTRACTORS DRAINS VERY SUBTLY UPON RESOURCE DOLLARS FOR DEVELOPMENT AND ACQUISITION.

FOR EXAMPLE, EACH NONSTANDARD PART TYPE MUST BE DOCUMENTED BY A CONTRACTOR'S SPECIFICATION OR SOURCE CONTROL DRAWING -- DEPENDING UPON THE COMPLEXITY OF THE PART AND ITS APPLICATION, THE COST FOR EACH NEW DRAWING CAN RANGE FROM $500 TO $8000 -- A STANDARD PART ELIMINATES THIS COST.

A SURVEY REPORT MADE IN JANUARY 1973 BY THE AMERICAN INSTITUTE OF AERONAUTICS AND ASTRONAUTICS STATED THAT AT THE SUB-SYSTEM LEVEL IT WAS COMMON PRACTICE AND COMPANY POLICY TO QUALIFY BY TEST ALL NONSTANDARD PARTS USED -- (QUALIFICATION TESTING INCLUDES SUCH TESTS AS RELIABILITY, MAINTAINABILITY AND SAFETY DEMONSTRATION) -- SUCH TESTS COST $5000 TO $25,000 DOLLARS PER TEST -- STANDARD PARTS ELIMINATE THIS COST SINCE THEY ARE ALREADY QUALIFIED.

WHILE WE CAN IMMEDIATELY SEE THE IMPACT OF DATA AND TESTING COSTS DURING ACQUISITION, IT IS A LITTLE MORE DIFFICULT TO SEE THE LONG RANGE OR LIFE CYCLE COST OF NONSTANDARD PARTS -- THE LIFT CYCLE COST (10 YEARS) TO ESTABLISH AND MAINTAIN A NEW SUPPLY ITEM IN AN OPERATIONAL SUPPORT STATUS IS $1200 -- THE SELECTION OF A STANDARD ITEM PREVENTS THE POTENTIAL ADDITION OF NEW NONSTANDARDS INTO THE LOGISTIC PIPELINE.

DESC

nonstandard part impact

★ IMMEDIATE

GOV'T RQMT	COSTS
• SPEC/SOURCE CONTROL DRAWING	$500 TO $8000+ EACH
• QUALIFICATION TEST OF PART	$5000 TO $25,000+ PER TEST

★ LONG RANGE

GOV'T RQMT	COSTS
• PROVISION REPLACEMENT PARTS	ITEM ENTRY....$200 ITEM MGT....$100/YR FOR 10 YRS TOTAL: $1200 PER ITEM

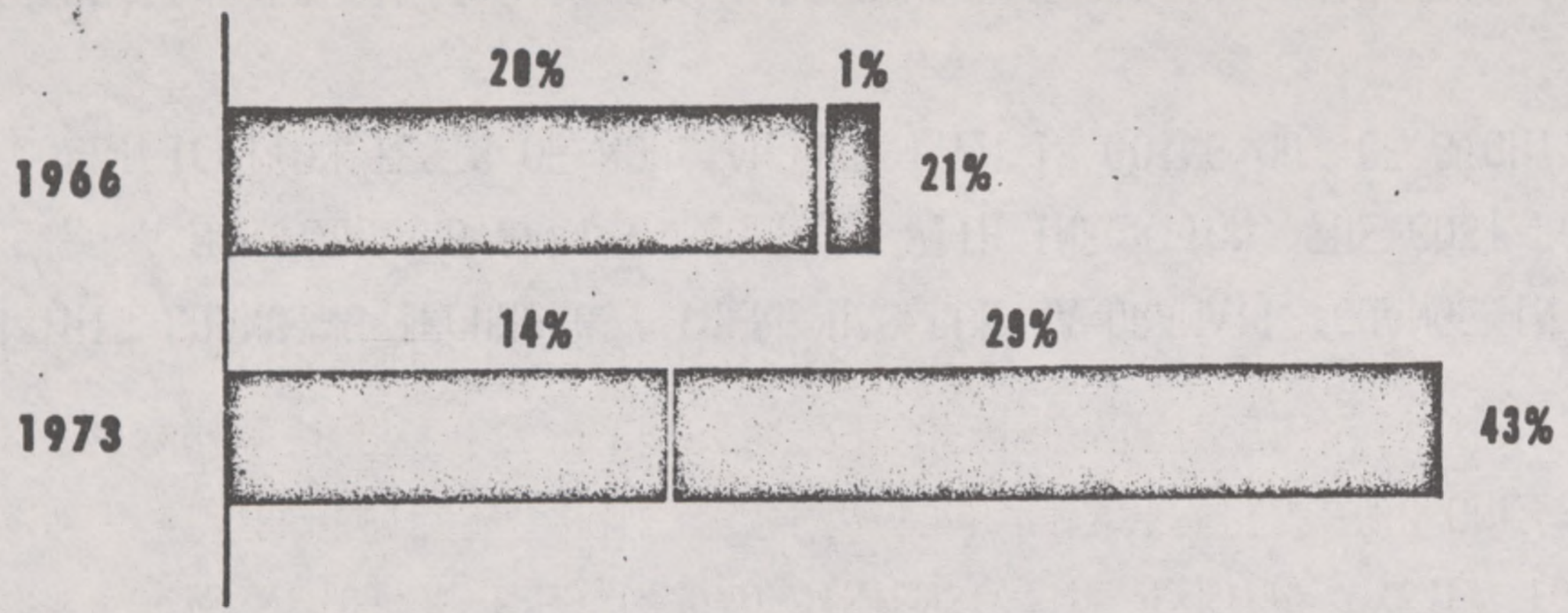
ONE OF THE REASONS FOR INCREASING ACQUISITION COSTS IS THE EXPLODING USE OF NEW SOLID STATE DEVICES IN DoD SYSTEMS. THE TYPICAL SYSTEM TODAY USES 43% SOLID STATE DEVICES. NOTE THAT IN 1966, ICs REPRESENTED ONLY 1% OF THE PARTS USED, WHILE TODAY ICs REPRESENT 29% OF THE PARTS IN A SYSTEM. NOTICE THE CHANGE IN THE BILL OF MATERIAL COSTS --

(Note to presenter: Source: % of parts used - Proceedings, Solid State Reliability Workshop, 24-28 July 1972.
% bill of materials cost - Presentation Texas Instruments Inc., 22 January 1973)

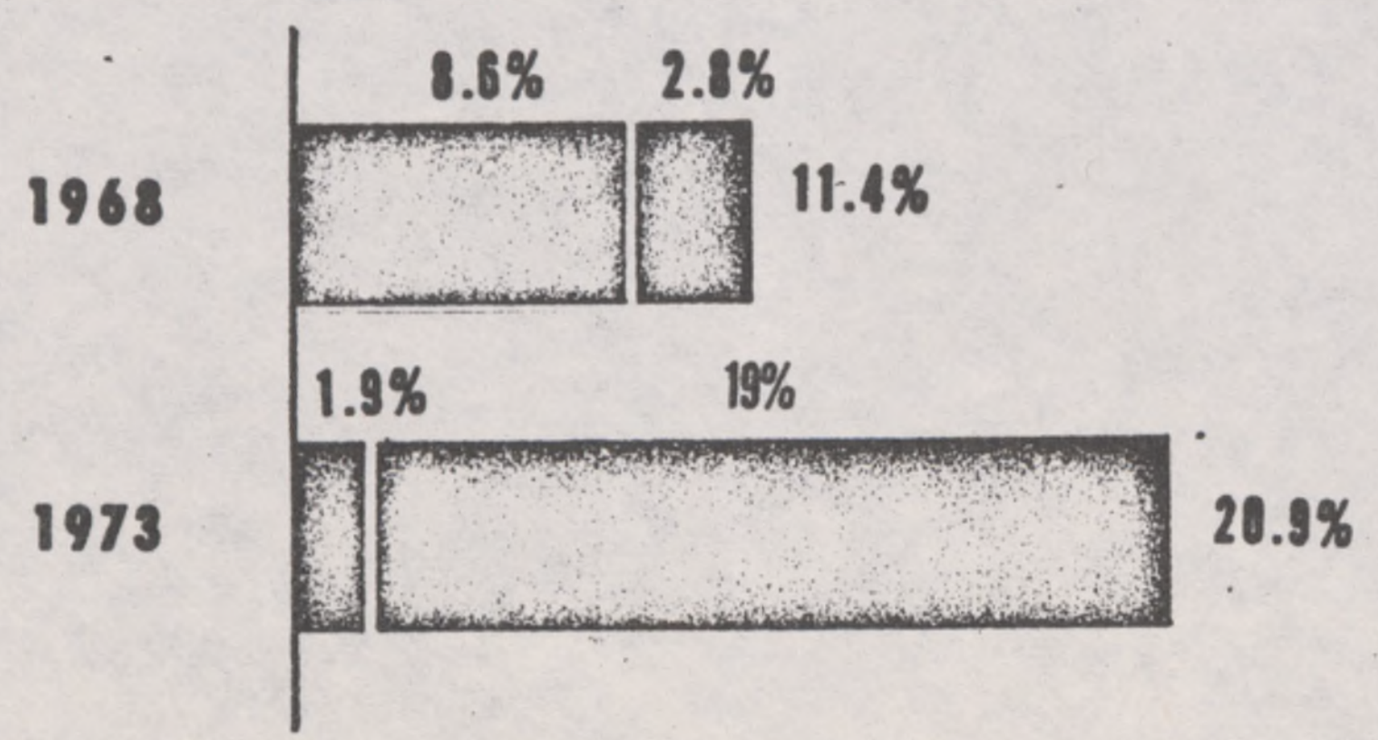
DESC

a changing technology

PERCENT OF PARTS — SOLID STATE DEVICE USAGE IN SYSTEMS



PERCENT OF BILL OF MATERIAL COST IN SYSTEMS



CODE

TRANSISTORS
DIODES

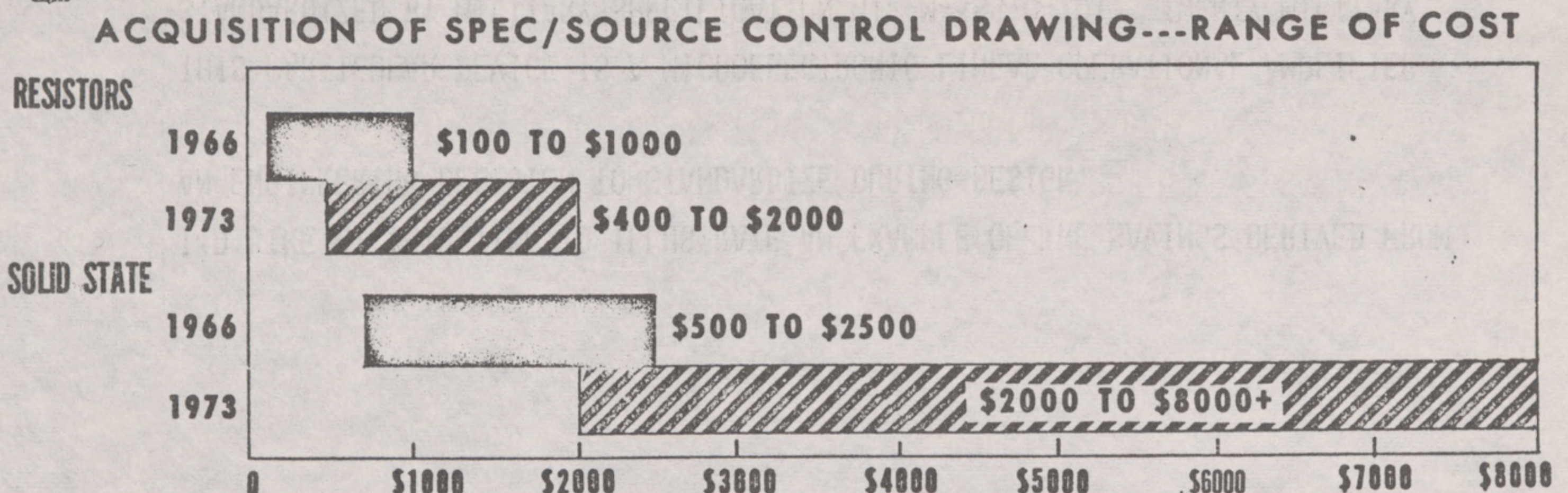
INTEGRATED CIRCUITS (ICs)

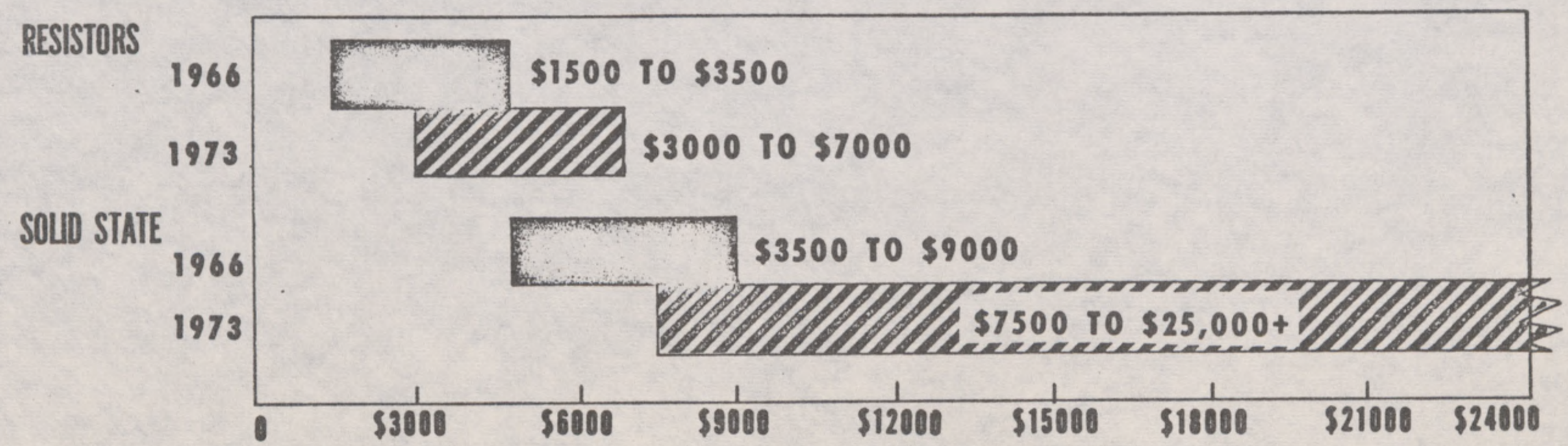
WITH THIS CHANGING TECHNOLOGY THERE HAS BEEN A DRAMATIC CHANGE IN THE COST OF USING A NONSTANDARD PART -- COUPLED WITH INFLATION, THE COST FOR A DRAWING . AND QUALIFICATION TESTS OF NONSTANDARD ITEM IS GOING OUT OF SIGHT.

SOME NONSTANDARD PIECE PART DRAWINGS COULD BE COSTING MORE THAN $8000 EACH -- THE TESTING OF NONSTANDARD INTEGRATED CIRCUITS WITH HIGH RELIABILITY REQUIREMENTS COULD WELL BE SUBSTANTIALLY MORE THAN THE $25,000 SHOWN ON THIS SLIDE ---.

comparison of nonstandard part acquisition cost impact

DESC





I'D LIKE AT THIS TIME TO ILLUSTRATE AN EXAMPLE OF THE SAVINGS DERIVED FROM AN ENGINEERING DECISION TO STANDARDIZE DURING DESIGN.

THIS PARTICULAR DEVICE IS A MICROELECTRONIC LINEAR OPERATIONAL AMPLIFIER STANDARDIZED BY MILITARY SPECIFICATION MIL-M-38510-101. TWENTY MILITARY STANDARD PART NUMBERS ADEQUATELY DESCRIBE THE APPLICATIONS FOR FOUR BASIC TYPES WHICH FULFILL EQUIPMENT DESIGN NEEDS.

DESC

benefits accrued from a decision to standardize during design

DESCRIPTION OF PART STANDARDIZED:

MICROCIRCUIT, LINEAR OPERATIONAL AMPLIFIER

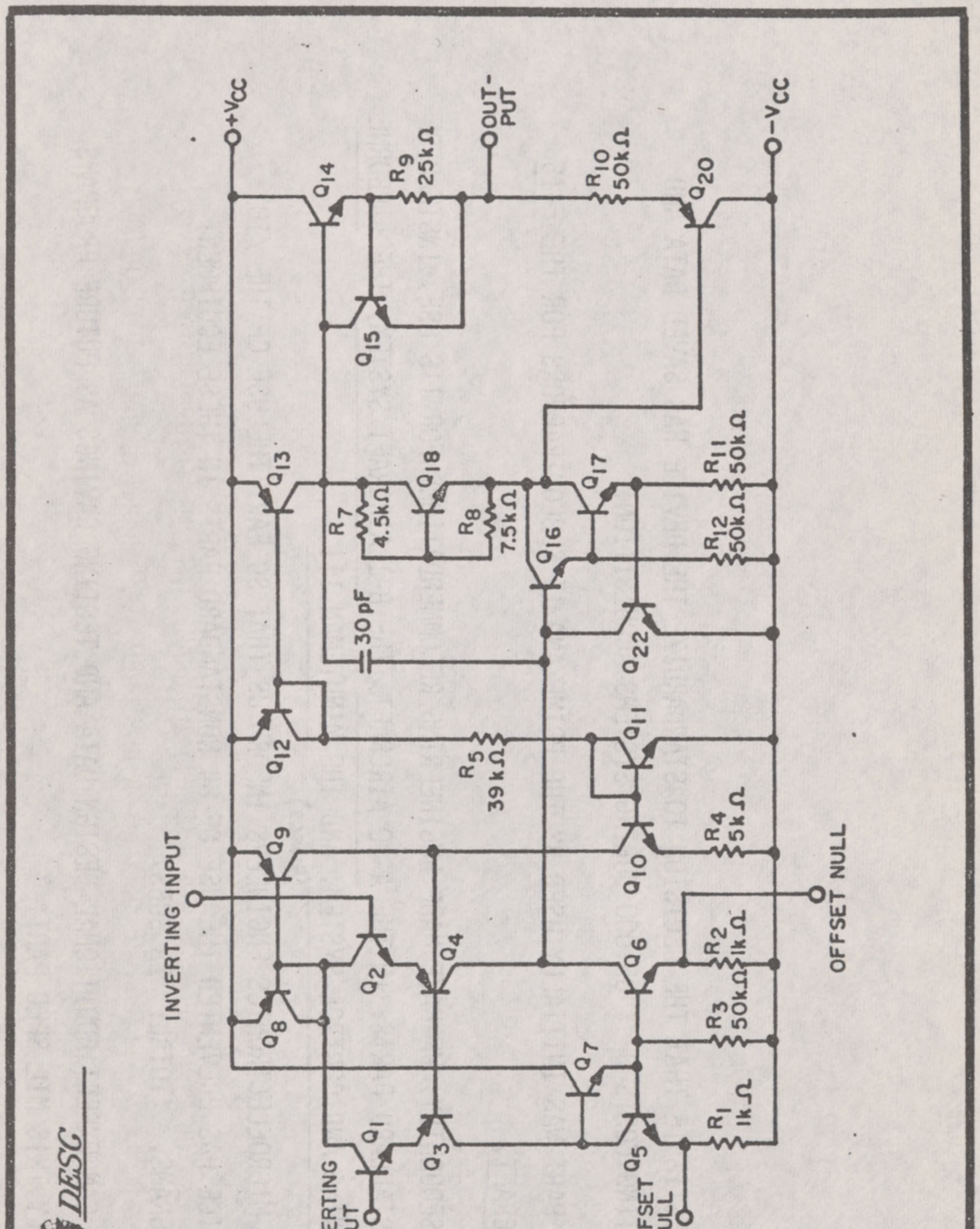
MILITARY SPECIFICATION:

MIL-M-38510/101

PART TYPES: 4

PART NUMBERS: 20

AS YOU CAN SEE FROM THE CIRCUIT DIAGRAM, THIS MINIATURE DEVICE IS QUITE COMPLEX. IT CAN BE USED BY A DESIGNER TO PERFORM SEVERAL DIFFERENT FUNCTIONS WITHIN ONE INDIVIDUAL EQUIPMENT, AND HAS EXTENSIVE APPLICATION IN CONTROL SYSTEMS.


+VCC
OUT-PUT
-VCC
Q14
R9 25kΩ
Q15
R10 50kΩ
Q20
Q13
R7 4.5kΩ
Q18
R8 7.5kΩ
Q16
Q17
R11 50kΩ
R12 50kΩ
30 pF
Q22
Q12
R5 39kΩ
Q11
R4 5kΩ
Q9
Q10
INVERTING INPUT
Q2
Q4
Q6
R2 1kΩ
R3 50kΩ
Q8
Q7
R1 1kΩ
NON-INVERTING INPUT
Q1
Q3
Q5
OFFSET NULL
OFFSET NULL
DESC

WE ESTIMATE THAT THE DECISION TO STANDARDIZE THE DEVICE HAS SAVED DATA AND TESTING COSTS OF $406,000 DURING SYSTEMS ACQUISITION.

THE PART WAS INITIALLY USED BY THE PRIME AND 13 SUBCONTRACTORS FOR THE F-15 AIRCRAFT.

SUBSEQUENTLY, WE HAVE MADE ENGINEERING RECOMMENDATIONS FOR ITS USE, INSTEAD OF NONSTANDARD PARTS, IN THE A-10 AIRCRAFT, THE B-1 AIRCRAFT SYSTEM, THE AIRBORNE WARNING AND CONTROL SYSTEM (AWACS), AND THE MINUTEMAN III.

OUR MICROELECTRONICS ENGINEERS INFORM US THAT SO FAR, THE USE OF THE /101 DEVICE HAS PREVENTED THE USE OF 84 NONSTANDARD PARTS IN THESE EQUIPMENT PROGRAMS. (TOTAL: 28 SUBS)

YOU CAN EXPECT ADDITIONAL DESIGN DATA AND TESTING SAVINGS AS FUTURE PROGRAMS APPLY THIS MIL SPEC PART.

DESC

MIL-M-38510/101 benefits

IMMEDIATE BENEFITS TO SYSTEM ACQUISITION

- USED IN 5 MAJOR SYSTEMS WITH 28 SUBCONTRACTORS

- 28 INDIVIDUAL OEM DRAWINGS PREVENTED

  28 × $2000 = $56,000

- 14 QUALIFICATION TESTS PREVENTED

  14 × $25,000 = $350,000

- DRAWING & TESTING SAVINGS

  $406,000

DESIGN AND USE OF THIS MILITARY STANDARD WILL ALSO RESULT IN A LIFE CYCLE LOGISTIC PAYOFF OF OVER $100,000 -----.

INSTEAD OF ADDING 84 NONSTANDARD PARTS TO THE SUPPLY SYSTEM WE WILL ONLY ADD 20 -- AND THEY WILL BE STANDARD PARTS FOR FUTURE APPLICATIONS -----. THE DECISION TO STANDARDIZE THIS PRODUCT WILL ALSO PERMIT DELETION OF 80 COMMERCIAL NONSTANDARD FEDERAL STOCK NUMBERS.

(Notes for presenter:

Savings Computation:	*items prevented*	*84*	
	less items added	*-20*	
		64	
	(10 yrs) Life cycle cost @ $1200	*x1200*	
		$76,800	*$76,800*
	items to be deleted	*80*	
	(5 yrs) Life cycle cost @ $500	*x500*	
		$40,000	
	less item deletion cost	*-3,200*	
	@ $40/item	*$36,800*	*$36,800*
			$113,600

DESC

logistic payoff ---- MIL-M-38510/101

PREVENTED 84 NEW NONSTANDARD FSNS

WILL **REPLACE 80** EXISTING NONSTANDARD FSNS

WILL **ADD 20** NEW STANDARD FSNS

PAYOFF ---- **$114,000**

AS SHOWN HERE, THE DECISION TO STANDARDIZE ON MIL-M-38510 GIVES US A BENEFIT TO COST RATIO OF OVER 100 TO 1.

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benefit to cost ratio of MIL-M-38510/101 standardization decision

DESIGN AND LOGISTICS BENEFITS:	$520,000
DESC ENGINEERING COST:	
SPECIFICATION DOCUMENTATION	$2250
PARTS CONTROL RECOMMENDATIONS	$250
CONTRACTOR INPUT (ESTIMATE)	$2500
TOTAL COST	$5000

BENEFIT TO COST RATIO OF MIL-C-38510/101: $520,000 TO $5000

100 To 1

SHOWN HERE IS A TELETYPE MESSAGE FROM RCA. WE THINK IT SPEAKS FOR ITSELF.

(Point Out Highlights)

THE AUTHOR OF THIS MESSAGE STATES THAT, AS A RESULT OF THE MILITARY SPECIFICATION, RCA EFFECTED A SAVINGS IN TIME AND LABOR, THAT DOLLARS CAN BE SAVED ON THE PREPARATION OF A PROCUREMENT DRAWING, AND THAT RCA IS INTERESTED IN OTHER MILITARY SPECIFICATIONS.

DESC

TWX 810-459-1946

To: DEFENSE ELECTRONICS SUPPLY CENTER

ATTN: DESC-ECS, MR. GONZALEZ

"THANK YOU FOR THE COPY OF MIL-M-38510A AND NOTICE 3 FOR MIL-STD-883. THEY EFFECTED A SAVINGS IN TIME AND LABOR IN OUR FY-73 MINUTEMAN I.C. PROCUREMENT. WE ARE NOW WORKING ON A PART OF THE TACFIRE PROGRAM AND IF YOU COULD FORWARD A COPY OF MIL-M-38510/24, AND A COPY OF AMENDMENT 1, I CAN SAVE ON THE PREPARATION OF A PROCUREMENT DRAWING. I WOULD ALSO LIKE TO USE MIL-M-38510/105 /733/. PLEASE ADVISE AS TO THE RELEASE DATE. THANK YOU FOR YOUR COOPERATION."

PAUL STEPNEY MD21

2CA EASD VAN NUYS, CA

THESE QUOTES FROM A RECENT ISSUE OF ELECTRONICS MAGAZINE SHOW THAT THE DECISION TO STANDARDIZE MICROELECTRONICS DEVICES WAS CORRECT, AND THAT THE APPLICATION OF THE STANDARDS THROUGH OUR PARTS CONTROL SYSTEM IS YIELDING COST SAVINGS TO INDUSTRY FOR A RELATIVELY EXPENSIVE, HIGHLY RELIABLE PART.

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DESC

electronics magazine --- 18 february 1973

"SUBCONTRACTOR REPORTED $150,000 SAVINGS BY BUYING JAN MICROELECTRONICS INSTEAD OF NONSTANDARDS" --- GOVERNMENT CONTRACTOR

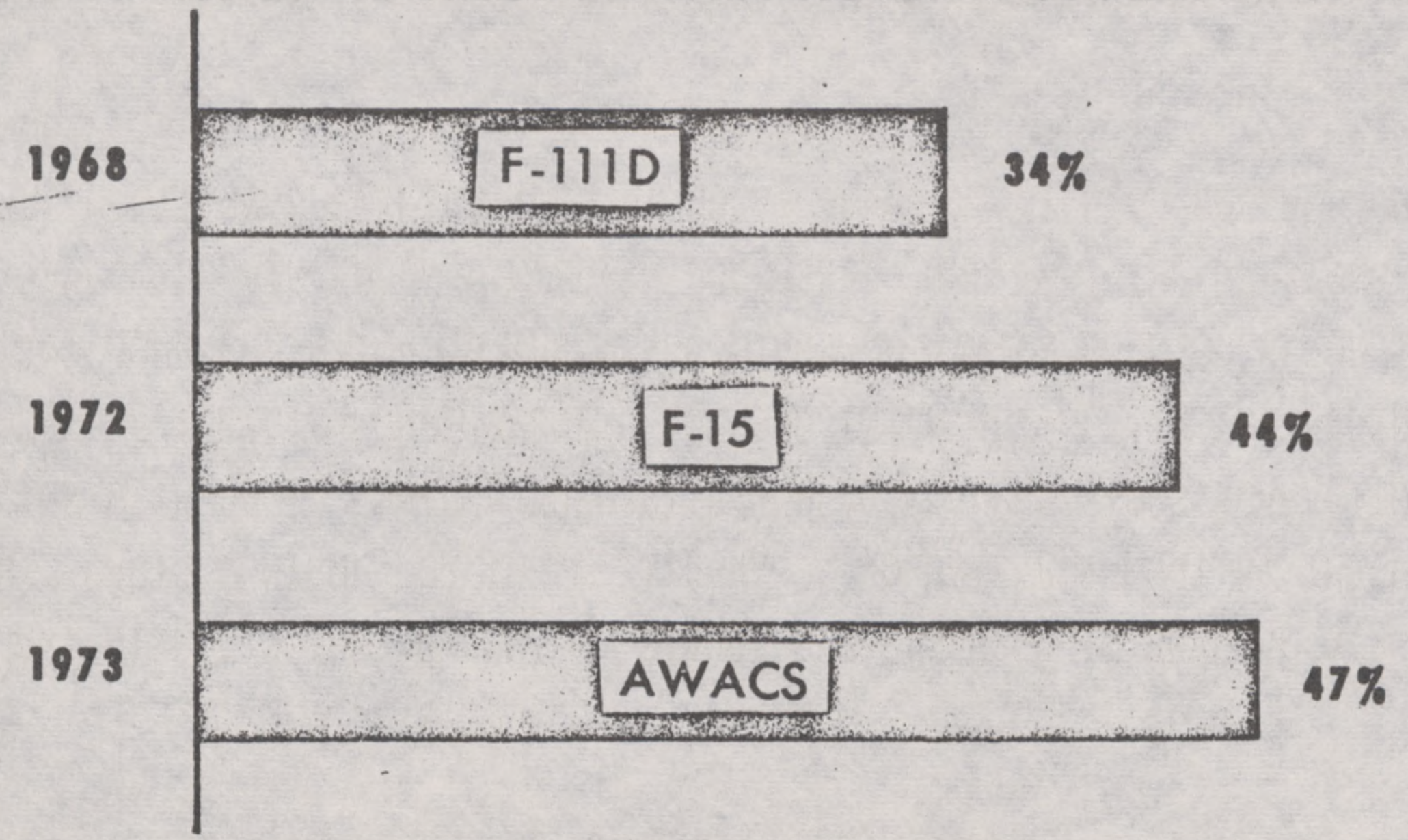
"COST OF INTEGRATED CIRCUIT PROCUREMENT REDUCED ONE-THIRD BY JAN DEVICES ELIMINATING NEED FOR IN-HOUSE SPECIFICATION WRITING AND QUALIFICATION ACTIVITIES" ---- AIRCRAFT MANUFACTURER

THIS CHART DISPLAYS THE PERCENT OF STANDARD PARTS USED IN SEVERAL AIRCRAFT SYSTEMS. PARTS CONTROL FOR THE F-111D WAS A VOLUNTEER EFFORT BY THE PRIME CONTRACTOR WITH PARTS CONTROL SUPPORT BY MPCAG FOR RESISTORS, CAPACITORS AND DIODES -- THE AIR FORCE SYSTEMS COMMAND IN AN ARTICLE IN THE DEFENSE MANAGEMENT JOURNEL ESTIMATED THE MPCAG STANDARDIZATION OF DIODES FOR THE F-111D SAVED THE AIR FORCE 5 MILLION DOLLARS -- AND THAT THE UPDATING OF 7 GENERAL MILITARY SPECIFICATIONS BY MPCAG SAVED 13 MILLION DOLLARS ON THE F-111 AND F-15.

FOR THE F-15 CONTRACT WE DEVELOPED THE FIRST STANDARD IC SPECIFICATIONS. WE ALSO UPDATED CONNECTOR SPECIFICATIONS WHICH HELPED THE CONTRACTOR TO REDUCE BY TWO THIRDS THE NUMBER OF DIFFERENT CONNECTOR FAMILIES AS USED PREVIOUSLY BY THE SAME CONTRACTOR ON THE F-4E -- WE ARE NOW PROVIDING SUPPORT TO THE AWACS -- SO FAR 47% OF THE PARTS SELECTED ARE STANDARD PARTS.

DESC

STANDARD PARTS USED IN AIRCRAFT SYSTEMS



PERCENT OF ELECTRONIC/ELECTRICAL PARTS THAT WERE MIL STD PARTS

APPLYING DOLLARS TO "IT COULD HAVE COST" SITUATIONS IS NOT EASY SINCE IT IS DIFFICULT TO SET UP AN AUDIT TRAIL. HOWEVER, WE HAVE ALREADY SHOWN HOW A NONSTANDARD PART COSTS MONEY AND ILLUSTRATED THE SAVINGS ACCRUED FROM THE USE OF ONE MICROCIRCUIT SPECIFICATION -- NOW WE WOULD LIKE TO APPLY COST SAVING FIGURES TO OUR MPCAG EFFORTS IN FY-1973.

DESC

DoD parts control system

DESC military parts control advisory group

"MPCAG"

1. BACKGROUND
2. METHOD OF OPERATION
3. HOW PARTS CONTROL SAVES MONEY
4. FY-1973 RESULTS
5. SUMMARY

IN FY-1973 WE REVIEWED WITH 59 CONTRACTORS THEIR NOMINATION OF 7300 NON-STANDARD PART TYPES COVERING SOME 21,000 DISCRETE PARTS -- WE WERE SUCCESSFUL IN OBTAINING AGREEMENT ON THE REPLACEMENT OF 59% OF THE NON-STANDARDS WITH PREFERRED STANDARD TYPES -- NOTE THAT PECULIAR PARTS SUCH AS FILTERS, TRANSFORMERS AND COILS ARE DIFFICULT TO REPLACE WITH MIL SPEC PARTS. ON THE OTHER HAND, COMMON RESISTORS AND CAPACITORS ARE WELL COVERED WITH EXISTING MIL SPECS -- NOW LET US SEE WHAT IT COULD HAVE COST IF THE NONSTANDARD PARTS HAD NOT BEEN REPLACED WITH STANDARDS ----.

DESC

MPCAG FY-1973 support - 59 DoD contracts

PRODUCT	% OF TOTAL	NONSTANDARDS NOMINATED	NONSTANDARDS REPLACED	% REPLACED
Resistors, Capacitors	25%	1800	1750	98%
Switches, Relays, Wvgd Parts	5%	400	150	38%
Filters, Transformers, Coils, Miscellaneous	3%	200	50	25%
Electrical Connectors	15%	1100	650	60%
Transistors, Diodes	12%	900	500	55%
Integrated Circuits	40%	2900	1200	40%
	100%	7300	4300	59%

EARLIER WE SHOWED THE INCREASING PRICE PAID FOR SPEC/SOURCE CONTROL DRAWINGS PREPARED BY CONTRACTORS -- APPLYING LABOR COSTS TO THE DRAWINGS NOT PREPARED SAVED 2.2 MILLION DOLLARS FOR THE 59 CONTRACTS WE SUPPORTED DURING FY-1973 --. WE USED MINIMUM COST FACTORS AND CUT IN HALF THE PROBABLE NEW DRAWINGS AVOIDED -- WE ALSO UNDERSTAND WE ARE LOW ON THE HOURLY RATE SHOWN.

DESC

drawing savings during acquisition ——— MPCAG support

PRODUCT	NONSTD'S REPLACED BY MPCAG	NEW DRAWINGS AVOIDED	ENGINEERING DRAFTING, TYPING M/HRS PER DRAWING	DRAWING ACQUISITION COST SAVINGS (@$20 PER HOUR)
Resistors, Capacitors	1750	875	25	$ 437,500
Switches, Relays, Wvgd Parts	150	75	30	45,000
Filters, Transformers, Coils	50	25	40	20,000
Electrical Connectors	650	325	45	292,500
Transistors, Diodes	500	250	50	250,000
Integrated Circuits	1200	600	100	1,200,000
	4300	2150		$2,245,000

WE ALSO SHOWED THAT THE QUALIFICATION TESTING OF PIECE PARTS IS REQUIRED TO ASSURE RELIABILITY, MAINTAINABILITY AND SAFETY -- AND THAT SUCH TESTS COULD COST FROM 5,000 TO 25,000 DOLLARS PER TEST -- DESPITE THE FACT THAT 76% OF SUBSYSTEMS CONTRACTORS CLAIM THAT THEY PERFORM QUALIFICATION TESTING ON ALL OF THEIR NONSTANDARD PIECE PARTS -- WE HAVE USED CAUTION ON OUR SAVINGS COMPUTATIONS BY APPLYING A 25% FACTOR FOR THE OCCASIONS THAT THE NONSTANDARDS WOULD HAVE BEEN TESTED -- THESE CONSERVATIVE ESTIMATES REFLECT THAT 1,075 QUALIFICATION TESTS WERE MADE UNNECESSARY AND THAT THE VALUE OF TESTING SAVINGS WAS IN EXCESS OF 12 MILLION DOLLARS ---.

DESC

TESTING SAVINGS DURING ACQUISITION--- MPCAG SUPPORT

PRODUCT	NONSTANDARDS REPLACED	QUAL TESTS AVOIDED	COST PER TEST	TESTING-ACQUISITION COST SAVINGS
RESISTORS, CAPACITORS	1750	430	$ 5,000	$ 2,150,000
SWITCHES, RELAYS, WVGD PARTS	150	40	6,000	240,000
FILTERS, TRANSFORMERS, COILS, MISC.	50	15	5,000	75,000
ELECTRICAL CONNECTORS	650	165	5,500	907,500
TRANSISTORS, DIODES	500	125	10,000	1,250,000
INTEGRATED CIRCUITS	1200	300	25,000	7,500,000
	4300	1,075		$ 12,122,500

WE SHOW YOU HERE THE LIFE TIME LOGISTIC MANAGEMENT COSTS IF THE NONSTANDARD PART TYPES WE REPLACED HAD BEEN PROVISIONED AS NEW STOCK NUMBERS IN OUR DoD SUPPLY BINS -- ON AN AVERAGE EACH NONSTANDARD PART TYPE COVERS 3 DISCRETE PART NUMBERS -- OR 12,900 PART NUMBERS REPLACED BY STANDARDS -- TO BE CONSERVATIVE, WE CUT IN HALF THE ESTIMATED ITEMS TO 6,450. EVEN THIS CAUTIOUS ESTIMATE YIELDS SAVINGS OF MORE THAN 7.7 MILLION DOLLARS.

DESC

item inventory savings

A. NUMBER OF NEW ITEMS NOT TO BE MANAGED — 6,450

B. COST TO ENTER NEW ITEM IN DoD INVENTORY — $200

C. ANNUAL ITEM MANAGEMENT COST - ONE ITEM — $100

D. AVERAGE YEARS AN ITEM IS MANAGED — 10

E. ITEM LIFETIME COST — (A×B + A×C×D) = $7,740,000

($1,290,000 + $6,450,000)

AT THIS TIME WE WOULD LIKE TO SUMMARIZE THE ADVANTAGES OF A PARTS CONTROL SYSTEM DURING THE DESIGN AND ACQUISITION OF WEAPON SYSTEMS ---.

DESC

DoD parts control system

DESC military parts control advisory group

"MPCAG"

1. BACKGROUND
2. METHOD OF OPERATION
3. HOW PARTS CONTROL SAVES MONEY
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5. SUMMARY

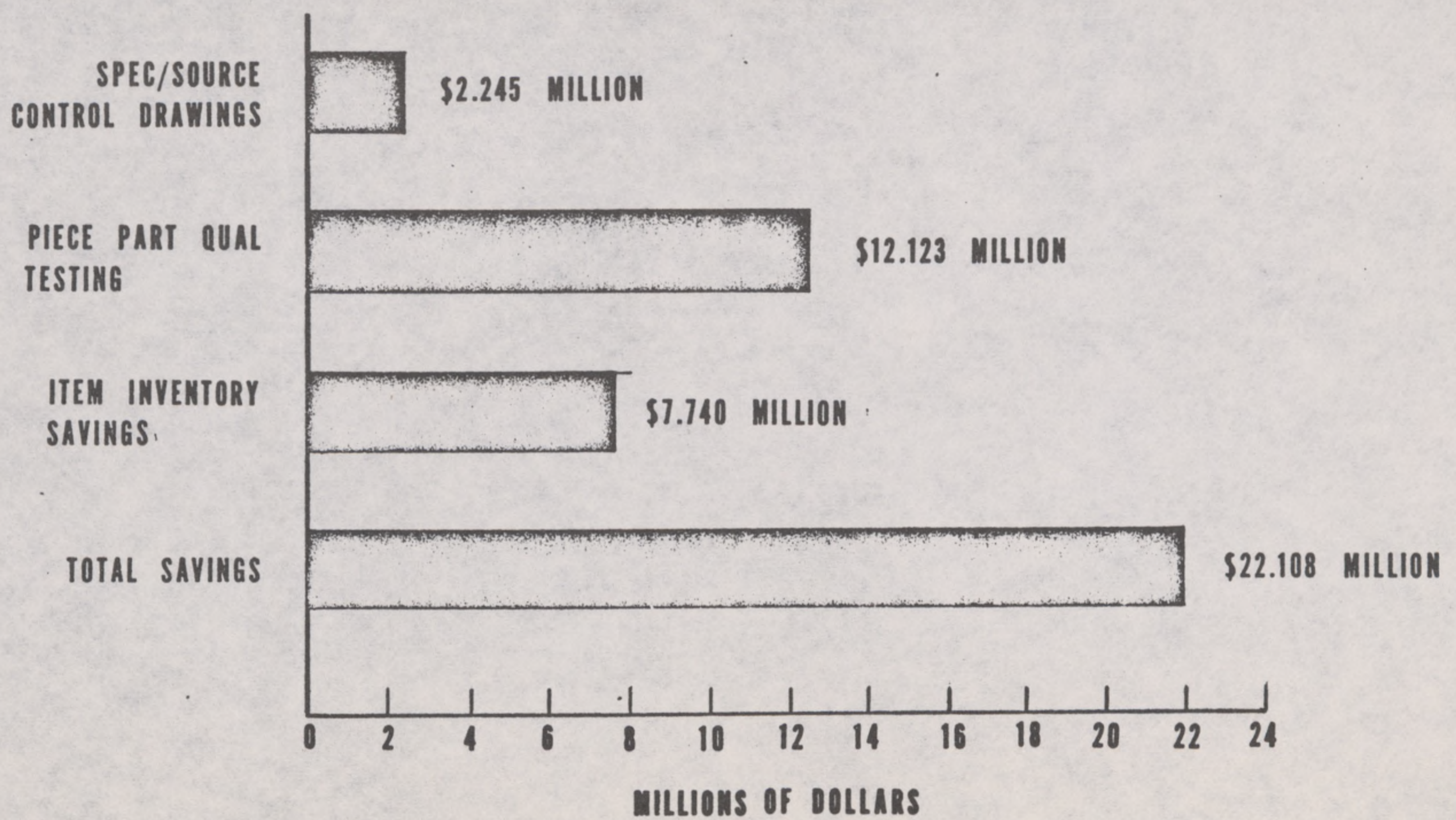
ON THIS CHART WE DISPLAY A SUMMARY OF 22 MILLION DOLLAR BENEFITS FROM OUR FY-1973 MPCAG EFFORTS -- THE SAVINGS WE HAVE SHOWN ARE ONLY THE TIP OF THE ICEBERG -- THERE ARE MANY BENEFITS WE CAN'T ATTACH A DOLLAR SIGN SINCE MANY THOUSANDS OF STANDARD PARTS ARE ROUTINELY SELECTED AND USED IN WEAPON SYSTEMS WITHOUT FURTHER DoD REVIEW ---.

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DESC

summary of benefits

FY-1973 SAVINGS



HERE IS A PARTIAL LIST OF INTANGIBLE BENEFITS FROM USING STANDARD PARTS CITED BY THE NATIONAL AEROSPACE STANDARDS COMMITTEE OF THE AEROSPACE INDUSTRIES ASSOCIATION -- THE NATIONAL AEROSPACE STANDARD 1524 IDENTIFIES 52 BENEFITS RESULTING IN SAVINGS WHEN OEMs USE STANDARD PARTS.

DESC

intangible benefits from mil std parts

ENGINEERING

- Saves Time In Processing Product Design
- Improves Reliability --- Reduces "Debugging"
- Common Language

PROCUREMENT

- Increased Purchasing Power -- Larger Amounts Of Fewer Items
- Reduce Lead Time
- All Suppliers On Fair Competitive Basis

QUALITY CONTROL

- Explicit Specifications
- Better Control Of End Product
- Reduce And Simplify Inspection

INVENTORIES & PRODUCTION

- Reduce Capital Requirement And Amount Tied Up
- Familiarity In Fabrication And Less Rework

ALL DATA INDICATES THAT THE TOTAL DoD SYSTEM FOR CONTROLLING ELECTRONIC PARTS GROWTH IS STARTING TO TAKE HOLD. THE PARTS CONTROL SYSTEM IS A TEAM EFFORT. THE TECHNICAL OPERATIONS DIRECTORATE AT DESC PUTS OUR PARTS CONTROL MIL STANDARDS TO WORK THROUGH THEIR DEFENSE TECHNICAL REVIEW ACTIVITY AND ITEM REDUCTION STANDARDIZATION STUDIES. THIS CHART SHOWS THAT THROUGH TEAM EFFORT THE USE OF MILITARY STANDARDS IS INCREASING. SINCE 1971, THE SMALLER QUANTITY OF MIL STANDARD FSNs HAS INCREASED 9% WHILE THE LARGE QUANTITY OF COMMERCIAL FSNs HAS DECREASED 13%.

DESC

indicators of increased use of MIL STDs in design

DESC MANAGED FSNs -- 8 HIGH GROWTH FSCs

MIL STD FSNs INCREASED 9% SINCE 1971

1 JANUARY 1971:	78,900
1 JULY 1973:	86,200
INCREASE:	7,300

COMMERCIAL NONSTANDARD DECREASED 13% SINCE 1971

1 JANUARY 1971:	486,000
1 JULY 1973:	423,300
DECREASE:	62,700

SOURCE: ISIS-INC REPORTS 1971-1973

SUPPLY SUPPORT REQUESTS (SSR'S) SUBMITTED TO DESC SHOW THAT EXISTING FEDERAL STOCK NUMBERS ARE BEING USED AT AN INCREASING RATE. SEVENTY PERCENT OF THE SSR'S RECEIVED DURING THE FIRST SIX MONTHS OF FY-73 WERE PROVISIONED TO FEDERAL STOCK NUMBERS, COMPARED TO 54 PERCENT FOR THE SAME PERIOD THE PREVIOUS YEAR.

DESC

provisioning shows increased use of existing DoD FSNs

SUPPLY SUPPORT REQUESTS RECEIVED (SSRs)

PER CENT WITH FSN	JUL-DEC FY-72	JUL-DEC FY-73
DESC	**54%**	**70%**
OTHER CENTERS	**53%**	**48%**
DSA AVERAGE	54%	61%

QUANTITY OF SSRs

DESC	144,423	132,980
OTHER CENTERS	89,936	91,417
DSA TOTAL	234,359	224,397

SOURCE: DSA RCS-26 DATA REPORTS

AS THE DEMAND FOR STANDARD PARTS INCREASES, THE PRICE DECREASES. FOR EXAMPLE, COMMERCIAL FEDERAL STOCK NUMBERS FOR DIODES IN CLASS 5961 OUTNUMBER MILITARY STANDARD FEDERAL STOCK NUMBERS BY OVER 4 TO 1. HOWEVER, OUR STUDIES SHOW THAT THE APPLICATION OF A STANDARD FEDERAL STOCK NUMBER IN A WIDE RANGE OF ELECTRONIC EQUIPMENTS HAS CREATED A DEMAND FOR THE STANDARD PRODUCT OF MORE THAN TWICE THAT OF THE COMMERCIAL NONSTANDARD DEVICE. WHILE INITIALLY THE MILITARY STANDARD DIODES WERE MORE EXPENSIVE THAN THE COMMERCIAL VARIETIES, THE REPEATED USE OF THE STANDARD DIODE HAS LOWERED ITS COST TO LESS THAN HALF THAT OF THE COMMERCIAL DIODE.

DESC

increased demands for MIL-STD FSNs reduce price of quality parts

FSC 5961 (DIODES)	MIL-STD FSNS	NON-STANDARD FSNS	RATIO
QUANTITY OF FSNS	2031	8947	1 : 4.5
AVE. DEMAND/FSN	198 UNITS	82 UNITS	2.4 : 1
AVE. COST/FSN	$2.30 EACH	$4.74 EACH	0.5 : 1

SOURCE:

SPECIAL MIL-SPEC DEMAND INTERROGATION, 1971

(Alternate chart for I&L type presentations)

WE ESTIMATE BY THE END OF FY-1975 WE WILL BE PROVIDING PARTS CONTROL SUPPORT FOR MORE THAN 200 CONTRACTS -- THE VOLUME OF PARTS SELECTION DECISIONS COULD BE OVERWHELMING UNLESS WE FIND A WAY TO WORK SMARTER -- WE THINK WE CAN DO IT BY AUTOMATING MANY OF THE MUNDANE TASKS -- THE DATA BANK OF ENGINEERING INFORMATION WE ARE COLLECTING WILL EVENTUALLY HAVE NO EQUAL IN THE DoD OR INDUSTRY -- WE ARE NOW PROCURING AUTOMATED TYPEWRITERS TO PUSH TIMELINESS AND PRODUCTIVITY OF MIL SPECS NEEDED IN DESIGN -- WE HAVE ALREADY AUTOMATED THE PREPARATION OF OUR QUALIFIED PRODUCTS LISTS -- BY THE END OF FY-1976 WE MAY BE IN A POSITION TO PREPARE SPECS WITH COMPUTER ASSISTANCE -- RIGHT NOW WE ARE INVESTIGATING SEVERAL DATA AND DOCUMENT RETRIEVAL SYSTEMS THAT SHOW GREAT POTENTIAL FOR PARTS CONTROL -- AMONG THESE ARE DSAs DEFENSE INTEGRATED DATA SYSTEM (DIDS), THE ARMY MISSILE COMMAND'S AUTOMATED ENGINEERING DOCUMENT PREPARATION SYSTEM (AEDPS 0035), AN ADVANCED MANAGEMENT AND ENGINEERING SYSTEM AT THE AVIONICS LAB AT THE AERONAUTICAL SYSTEMS DIVISION, A NONSTANDARD PART DATA SYSTEM AT THE NAVAL AMMUNITION DEPOT IN CRANE, INDIANA, AND SEVERAL RETRIEVAL SYSTEM TECHNIQUES DEVELOPED BY INDUSTRY.

DESG

- **DATA RETRIEVAL**
- **DOCUMENT RETRIEVAL**
- **AUTOMATIC DOCUMENT PREPARATION**

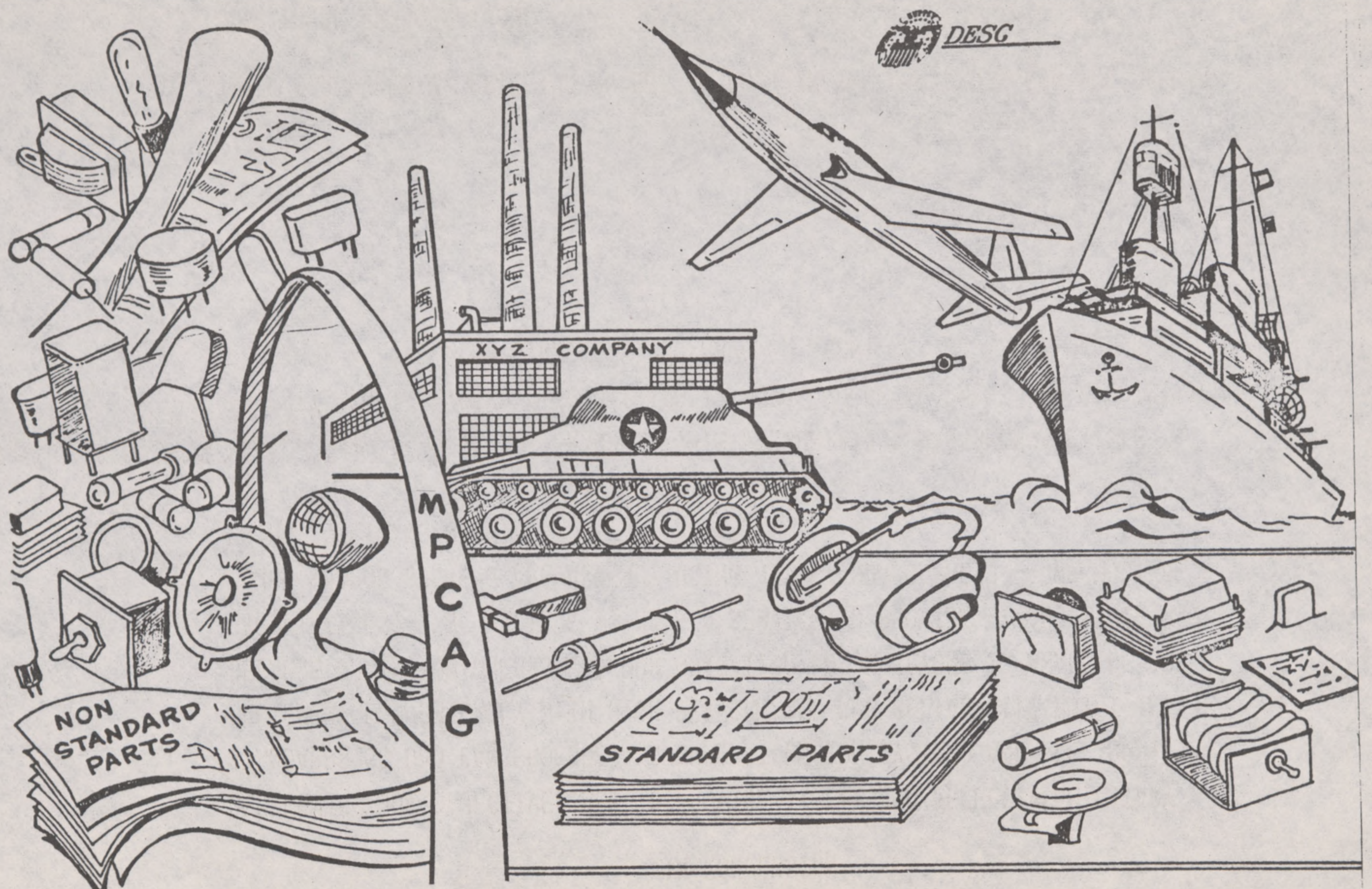
IN CONCLUSION

GENTLEMEN, OUR OBJECTIVES ARE TO PROVIDE TIMELY AND EFFECTIVE MILITARY STANDARDS SO DoD CAN PROCURE AND SUPPORT WEAPON SYSTEMS AND ELECTRONIC EQUIPMENT ECONOMICALLY WITH HIGH PERFORMANCE AND RELIABILITY BUILT-IN. BECAUSE OF THE UNIQUENESS OF OUR OPERATION NOT EVERYONE IS AWARE OF OUR CAPABILITIES -- WE BELIEVE WE HAVE A SERVICE TO PROVIDE -- AND SINCE MANY MAJOR WEAPON SYSTEMS ARE ALREADY USING 40% STANDARD PARTS -- WE MUST BE DOING SOMETHING RIGHT.

(Added note for R&D) -- FRANKLY, THIS PRESENTATION HAS BEEN A LITTLE ADVERTISING TO EXPAND A GOOD THING TO MORE DoD DEVELOPMENT AND ACQUISITION PROGRAMS -- THE BLUE DIRECTORY YOU HAVE IN FRONT OF YOU IS TO HELP GET THE WORD OUT.

THIS CONCLUDES MY BRIEFING ON DESC'S ROLE IN THE DoD PARTS CONTROL PROGRAM.

ARE THERE ANY QUESTIONS?


DESC
XYZ COMPANY
MPCAG
NON STANDARD PARTS
STANDARD PARTS