

INFORMATION PAPER

DALO-3SF
6 August 1999

SUBJECT: Single Stock Fund (SSF)

1. Purpose: To provide the Defense Logistics Agency (DLA) information on SSF implementation.

2. Facts.

a. SSF is a HQDA business process reengineering initiative to improve the Army's logistics and financial processes in the Army Working Capital Fund, Supply Management Army (AWCF-SMA) business area.

b. It is merging wholesale and retail elements of the AWCF-SMA below Departmental level into a single, nationally-managed fund. This will streamline current operations that have caused numerous inefficiencies, including multiple points of sale and credit, multiple ledgers/billing accounts, and duplicative automated systems managing the same inventory. SSF is also changing how the Army budgets for BASOPS and other accounts.

c. The original SSF Campaign Plan approved by the Vice Chief of Staff, Army in Nov 97 contains the SSF Milestones. These milestones have twice been revised by the SSF General Officer Work Group. The Dec 98 session revised the timing of Milestone 1 to align with the Army's programming and budget processes, and the Mar 99 session approved combining Milestones 1 and 2 (see enclosure).

d. Several aspects of SSF implementation will directly impact DLA and organizations assigned to the Defense Logistics Support Command. Based on informal feedback from DLA participants at SSF meetings, we believe there are detailed aspects of SSF implementation that will require close coordination to ensure mutual supportability.

(1) Key scheduled events include conducting demonstrations of the SSF business process changes at three Army installations (Fort Sill, Oklahoma; Fort Lewis, Washington; and Redstone Arsenal, Huntsville, Alabama) from April through June 2000.

(2) Contingent on successful execution of those demonstrations, the Army intends to begin conversion of its

installations and activities in a sequenced process beginning in October of 2000.

e. In our assessment, specific impacts of the SSF program on DLA are summarized below:

(1) Army supply transactions currently flow from multiple user sites through an Army retail stock fund activity to DLA inventory control points. Under SSF, the flow of requisitions will be more direct for certain materiel. Non-Army managed item (NAMI) requisitions will flow directly to the Source of Supply from all customers not directly supported by an installation DOL. This will eliminate a retail stock fund "middleman" and will give us greater clarity regarding customer requirements. The SSF PM has been working with DLA and the Defense Automated Address System (DAAS) to identify impacts resulting from the Army's re-engineering efforts. Some of these changes are in revised transaction flow and billing processes as we move to eliminate the Army retail stock fund.

(2) The Army is excluding from the SSF those NAMI, which are not processed through the Army Standard Army Retail Supply System (SARSS), or the Army Materiel Command Installation Support System (AMCISS). Many of these items are already supported with innovative arrangements such as prime vendor delivery.

(3) These changes are required by 1 October 2000. We have an aggressive plan to support this implementation date and need DLA support to make it a reality.

(4) To facilitate this, we are requesting that DLA assume ownership of Class II, III, and VIII materiel, down to the point of customer release. Our concept is to move all existing inventories into the applicable direct appropriation. Subsequently, requisitions for this materiel will flow directly to the Source of Supply and will no longer flow through an Army Working Capital Fund. Over time, we would like to explore opportunities with DLA to own additional inventory down to the point of customer release.

3. We recognize that successful implementation of SSF will depend in large part on DLA cooperation, involvement and support. Our intent is to work closely with the DLA staff to define the issues and chart a course for the future.

Encl

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SSF CAMPAIGN PLAN

EVENT DRIVEN

EXIT & FEEDBACK
CRITERIA
ESTABLISHED

OCT 97

OCT 99 (Oct 00)

OCT 00

OCT 01

MILESTONE 0

MILESTONE 1

MILESTONE 2

MILESTONE 3

CONCEPT

Maintain Fiscal Solvency &
Prep for SSF
Implementation

CONCEPT

Incorporate Installation, Theater,
Corps AWC/F Assets into
USAMC Managed SSF

CONCEPT

Incorporate non-deployable
OMA stocks above Division
ASL Assets into SSF

CONCEPT

Incorporate All O&M Stocks
Above PLI/Shop Stock
into SSF

TASKS

PM Appointed
Implementation & Analysis
Plans Complete

TASKS

NISMIM Implemented
Installation Costs Associated
w/AWCF Borne by AWCF

RISK

UNINTENDED
CONSEQUENCES &
PROGRAMMATICS

CCSS/SARSS/STARFIARS

Interface & Visibility

Credit/Pricing Rules Established

Business Rules: Pers & Mgmt

POM Adjustment/Efficiency

Offset/Safety Valve

END STATE

Successful Demonstration,
Automation Credit rules
Approved

END STATE

1. Demonstration of Integrated Requirements Determination Process.
2. Functioning Fiscal Process

TASKS TO SUBORDINATES