



**DEFENSE LOGISTICS AGENCY
TROOP SUPPORT
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February 22, 2013

MEMORANDUM FOR JOINT SUBSISTENCE POLICY BOARD (JSPB) MEMBERS AND VALUED CUSTOMERS

SUBJECT: Elimination of Class 1 Automated Receipt Processing and Order Block Implementation

DLA Troop Support has been tracking the Subsistence Total Order and Receipt Electronic System (STORES) receipt process since August 2011. The objective was to determine timeliness of processed receipts and whether customers were processing receipts properly, or relying on the automatic receipt process in STORES. Furthermore, we began sharing with you on a monthly basis, the Services automatic receipt metrics. It has been our observation that there has been proper receipt processing improvement, the number of automatic receipts decreasing as customers became aware of receipt processing as an auditable function.

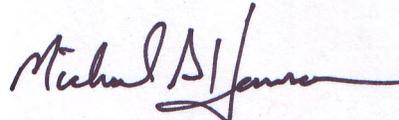
In October 2011, we commenced a pilot to modify business practices to shut down the automatic receipt process for a single Prime Vendor contract – Sysco Hampton Roads. This contract supported all Services including Navy ashore customers – Navy afloat was not part of this pilot. The impetus for the pilot originated from the DLA Chief Financial Officer (CFO) asserting that the automatic receipt process was not in compliance with Public Law.

From that point DLA Troop Support implemented a gradual cessation of the STORES automatic receipt process across other contracts. This applied to all CONUS and OCONUS Prime Vendor and Market Fresh (FF&V, Soda, and Dairy) contracts. The cessation process continued through calendar year 2012, with all contracts completed by January 2013. Pilot and program progress has been briefed to the JSPB at our monthly phone conference calls and semi-annual meetings. In addition, DLA Troop Support account managers have maintained open communication throughout the process, preparing customers for the implementation of their contracts.

Although the scrutiny of the STORES receipt process continues to broaden, it became evident that shutting down the automatic receipt process alone was not resulting in the intended outcome. Reliance on the customers' performance for a 100% manual on-time STORES receipt rate was not achievable without additional motivation. A permanent, incentive-based measure was needed to achieve the goal of total auditability. At the February 2012 JSPB meeting, the agenda topic of "Order Block" was discussed as that incentive-based measure. The concept of Order Block signified the temporary delay or block of a subsequent STORES order if a preceding order was not receipted in a timely manner. Each Service acknowledged the need and concurred with the Order Block method. DLA Troop Support targeted February 2013 at the earliest the electronic Order Block would be implemented.

The programming for the electronic Order Block has been significant; the updated timeline for implementation will be effective on 09 April 2013. All customer orders with requisition dates of 09 April 2013 and later will be included in Order Block. Land based (including Navy ashore) CONUS and OCONUS customers will have 5 days after the required delivery date (RDD) to process their STORES receipts. Exceptions to this reporting timeline are contracts supporting Afghanistan customers all Navy ships, Coast Guard vessels, and Coast Guard ashore facilities. These customers will have 30 days after the RDD to process their receipts. If receipts are not processed within the applicable time constraints, customers will not be able to submit new orders into STORES. Customer orders may be prepared in STORES, but the orders will remain in a queue until the pending delinquent receipt is processed.

For your benefit, we've provided frequently asked questions (FAQ), Attachment (1). This should help to answer most of your questions and hopefully allay your concerns. DLA Troop Support will continue to provide updates on Order Block and the importance of submitting timely receipts in order to meet auditability requirements. If you have any questions, please feel free to contact your DLA Troop Support Account Manager or servicing STORES Help Desk.



M.S. HANSEN
CAPT, SC, USN
Director, Subsistence Operations

Attachment

Frequently Asked Questions (FAQ) - Order Block

Question #1: When will auto receipting be removed and Order Block be implemented?

Answer: There will no longer be auto-receipting in the next STORES release (STORES 5.0). The Order Block implementation date will be Tuesday, April 9, 2013.

Question #2: How long will the block be in place?

Answer: An ordering official will be unable to send an order for a specific ship to/contract combination until all receipts that have passed the time constraint period have been submitted. The default time constraint is 5 days past the RDD for all contracts supporting CONUS and OCONUS land customers.

The time constraint will be set to 30 days past the RDD for any contract supporting a Navy ship or a Coast Guard vessel. There are also some other contracts that will be set to 30 days based on the area the contract supports, e.g. Afghanistan.

Question #3: Once an Order Block takes effect, are all orders for other customer delivery points within my ordering responsibility blocked?

Answer: No. The Order Block process is contract and delivery point specific. If a Prime Vendor order for DFAC #1 has been blocked, you can still place a Soda, Bread, or FF&V order for DFAC #1. In addition, you could still process any order (PV, Soda, Bread, and Dairy) for all other DFACs.

EXAMPLE: An ordering official places two orders: A PV order for a CONUS land customer and a PV order for a Coast Guard vessel. Note: Time constraint for a land customer supporting contract is 5 days past RDD and 30 days past RDD for Coast Guard supporting contract.

Customer places both orders with an RDD of May 1, 2013.

At a minimum, ordering official will be allowed to continue to place PV orders for the land customer through 6 May and the Coast Guard customer through 31 May.

On 7 May, if customer still has not completed receipts for the land customer's PV order, he will be blocked from sending additional PV orders for that customer. Once receipts are completed, blocked PV orders for this customer will automatically be processed.

On 1 June, if customer still has not completed receipts for the Coast Guard's PV order, then he will be blocked from sending additional PV orders for that customer. Once receipts are completed, blocked PV orders for this customer will automatically be processed.

Question # 4: Does Order Block apply to Operational Rations (MREs, UGRs, etc) contracts?

Answer: No. There is no impact on Operational Rations contracts at this time.

Question #5: Does Order Block affect my STORES account?

Answer: NO. Order Block does not affect your STORES account and will not lock you out of STORES.