

CLIN 0002AA

COMMERCIAL ASSET VISIBILITY, PHASE II (CAV II)

1. **OBJECTIVE.** CAV II has been designed to allow a wide range of transaction reporting, eliminate financial/inventory imbalances, operate in a fully automated mode, and provide specific reparable tracking and accountability while material is at a commercial contractor. CAV II also provides the means to track material in transit to and from a commercial contractor and allow daily transaction reporting while minimizing workload impacts on the contractor. CAV II allows the commercial contractor to report in the same manner as an organic facility.

2. **SCOPE.** The following actions are to be reported by commercial contractor:

a. Receipt:

(1) Material on contract.

(2) Material not on contract.

b. Skeletonized Reports of Discrepancy (RODs).

c. Induction into repair.

d. Awaiting piece parts.

e. Reinduction into repair.

f. Print bar-coded 1348-1A shipping document

g. Beyond Economical Repair (BER)/Maintenance Expenditure Limit (MEL) Request.

h. Survey/Scrap.

i. Completion of repair.

j. Shipment of:

(1) Repaired material - On contract.

(2) Non-repaired material - On contract.

(3) Material not on contract.

(4) Government Furnished Material (GFM)

k. Proof of shipment (POS).

l. Reversals and corrected submission of transactions.

3. METHOD. There are twelve basic types of transactions that must be reported under CAV II: receipts, skeletonized RODs, inductions, awaiting piece parts, reinductions, 1348-1A shipping document, BER/MEL notification, requests for survey/scrap, completions, shipments, proof of shipment, and reversals. The specific type of transactions available in these twelve basic categories are explained below.

The key to CAV II reporting is the unique document number assigned to each reparable. This unique document number is called the Repair Cycle Document Number (RCDN) and is used to identify a specific asset and allows it to retain its identity throughout the repair process. Upon input of the receipt transaction into the P.C., the CAV II software will assign an RCDN to each reparable. This document number consists of 14 characters. **Characters 1 through 6 are the contract's unique DODAAC, characters 7 through 10 are the Julian date of the transaction, and characters 11 through 14 are sequential serial numbers** (example: CHOABC-6001-0001). The receipt will be entered into the CAV II software using the source document number identified on the packing slip, the National Item Identification Number (NIIN) actually received, and the quantity actually received. For example, upon receipt of three each assets, the contractor will enter a receipt transaction for a quantity of three each, and the CAV system will create three new document numbers or RCDNs. CAV II requires that the contractor maintain the unique identity (record) for each asset on hand. If desired, each one of these records may be printed on a separate Material Movement Document (MMD) or Material Label (ML), enclosure 1. More specific guidance on the uses of MMD/ML is contained in subparagraph 3a(1). All subsequent transactions require either this unique document number (RCDN) or the contractor's cross reference number to be entered prior to process updates. Throughout the remainder of this SOW, the new document number created at time of receipt will be referred to as the RCDN. The following actions are to be reported by the contractor:

a. Receipt:

(1) Receipt/Material on Contract ("F" Condition Code). Receipt of material from the Army Supply System is listed in the contract for repair at the contractor's facility. A unique document number, RCDN, will be created from the receipt transaction for each reparable received. At the same time an MMD/ML may be created for each RCDN. During the initial CAV II implementation, the MMD/ML **MUST BE PHYSICALLY ATTACHED TO ALL ARMY OWNED ASSETS ON HAND AT THE COMMERCIAL REPAIR FACILITY. IF NOTED ASSET HAS BEEN TRANSFERRED TO A VENDOR OR ANOTHER PLACE OF PERFORMANCE, THEN THE MMD/ML MUST BE MATCHED UP WITH THE APPROPRIATE REPARABLE SHIPPING DOCUMENTATION.** After implementation is complete and the U.S. Army Major Subordinate Command (MSC) has received a good transmission, the requirement to tag material with an MMD/ML is optional. A cross referencing system will permit the contractor to utilize their own internal asset control number/work order number for access of each RCDN. The contractor must be able to provide the RCDN for a specific asset upon Government request. Information required by the contractor during receipt process includes: unique contract DODAAC; Source/Receipt Document Number; NIIN; Routing Identifier Code (RIC) from where material was shipped, i.e., BR4 (Red River Army Depot), AN5 (New Cumberland Army Depot); unit of issue (UI); quantity received; contract number; material receipt date; delivery order (DO) number; order award date; and CLIN.

(2) Receipt/Material Not on Contract ("J" Condition Code). Report receipt of any material from the Army Supply System or directly from the user which is **NOT** a candidate for induction and repair. Examples are: misdirected assets, PQDR/EIR exhibits, warranted items, and excess/residual inventory. The owning wholesale activity/MSC or its designated representative will provide disposition instructions for this type of material. If a reparable overage is received, contact the item manager for instructions prior to accepting material.

b. Skeletonized Stockage Discrepancy Reports (SDR). SDRs are used to reconcile MSC/ICP files and locate misdirected materials. The skeletonized SDR process in CAV II will be used to report the two most typical situations, mixed or erroneous material, and quantity shortages. In addition to this transaction, a Standard Form (SF) 364 is to be completed immediately when an error is discovered.

c. Induction ("M" Condition Code). After posting receipt of assets, each item is to be reported as an induction utilizing the RCDN or contractor's reference number. If, as a result of the repair/upgrade the NIIN changes, this new NIIN will be identified when reporting the induction. The appropriate contractor records should be annotated with the new NIIN to avoid confusion when reporting later transactions. Most information will be carried forward from receipt. New information required by the contractor during the induction process includes: date inducted, estimated completion date, and new (output) NIIN (if different than the receipt NIIN).

d. Awaiting Piece Parts ("G" Condition Code). This transaction provides the contractor with the capability to report each occurrence that an asset's delivery is being delayed due to the fact that required piece parts for repair/upgrade are not available. The contractor will post the date and annotate a "C" if the part(s) are contractor furnished, "G" if the part(s) are Government furnished or "B" if the part(s) are (due in from both contractor and Government sources. The NIIN and/or the part number of the part shortage can be noted in the remarks block. An "A" will be annotated if the delay in performance is due to administrative or contractual issues.

e. Reinduction of Assets ("M" Condition Code). This transaction allows the contractor to report the reinduction date and new estimated completion date (if changed) of a reparable that was delayed while awaiting piece parts.

f. DD Form 1348-1A. **A SHIPPING DOCUMENT MUST BE PREPARED ON THE CAV II SYSTEM FOR EACH UNIT BEING SHIPPED FROM THE FACILITY OR TO DISPOSAL, REGARDLESS OF DESTINATION. THE DD FORM 1348-1A WILL REPLACE THE DD Form 250 AS A SHIPPING DOCUMENT ONLY.** The DD Form 250 will still be prepared and distributed as usual with the exception of being used as a shipping document. **THE DD Form 250 WILL NOT ACCOMPANY SHIPPED MATERIAL, INSIDE OR OUTSIDE THE SHIPPING CONTAINER.**
Distribution of 1348-1A:

(1) SINGLE UNIT - A copy of the DD Form 1348-1A will be attached to outside of shipping container. The remaining copies will be inside with the material.

(2) MULTIPAK - A copy of DD Form 1348-1A for each unit being shipped will be attached to the outside of multipak container. A copy of DD Form 1348-1A will be attached to outside of appropriate individual shipping container WITHIN THE MULTIPAK. The remaining copies of DD Form 1348-1A will be inside each individual container with the material. Multipaks must be clearly labeled as such on the outside of the shipping container.

g. Beyond Economical Repair (BER)/Maintenance Expenditure Limit (MEL) Notification. If after an item has been reported as received and it is determined that it is Beyond Economical Repair (BER) or beyond the Maintenance Expenditure Limit (MEL), a BER/MEL transaction will be processed. An item is considered BER/MEL if the cost to repair exceeds the MEL annotated in each contract. The contracting activity/MSO or its designated representative will advise if repair is to continue or if the item is to be condemned/disposed.

h. Survey/Scrap Request ("H" Condition Code). An item which is considered beyond repair should be reported using the Survey Request processing screen by posting the date of occurrence. Requests to condemn an asset can be requested prior to or during induction. The contracting activity/MSO or its designated representative will provide disposition instructions.

i. Completion/DD Form 250 ("A" Condition Code). Once a reparable has completed the repair process and is in serviceable condition, a Completion / DD Form 250 transaction will be processed. The only information required for contractor input is the date the DD Form 250 was signed and the DD Form 250 number. All other basic information continues to be carried forward.

j. Shipment. The shipment processing screens provide the capability to report a variety of different shipping transactions:

(1) Shipment of repaired/serviceable material ("A" condition) to the Army Supply System or direct to the user;

(2) Shipment of scrapped/non-repaired ("H" condition) material to disposal and misdirected assets, PQDR exhibits, and warranted items ("J" condition) to the Army Supply System or other destination;

k. Proof of Shipment. This screen provides the contractor with the capability to provide complete shipping data to the MSC/ICP when shipment has actually been completed. The following information will be provided: mode of shipment, government bill of lading (GBL) number, carrier name, and carrier address.

l. Transaction Reversals. All erroneous transactions must be corrected to maintain the integrity of the CAV II database. After providing either the RCDN or the contractor reference number, a window is provided displaying the current status of the item. After confirming that the reversal is to be made and the transaction has been posted, the status of the item will reverse to its most recent previous status. For auditing purposes, erroneous transactions must first be reversed and then reentered properly. CAV II will maintain a record of each of these detailed transactions.

4. Hardware/Software. Paragraphs 4a, 4b, and 4c below, are lists of hardware/software requirements to operate CAV II. With the exception of government furnished software, **the contractor is responsible to provide all the necessary software, hardware, and equipment maintenance/repairs to keep the equipment/system in good working order.** Systemic failures of contractor provided equipment will be resolved by the contractor within 48 hours.

a. Contractor Furnished Equipment and Software, DEDICATED FOR CAV II USE ONLY, in support of Version 1.08c :

(1) IBM compatible PC, 486 or higher with 3 1/2 inch disk drive, including (at a minimum): 16 MB RAM, 66MHZ, 540 MB hard drive.

(2) VGA Color Monitor.

(3) Mouse.

(4) 28.8 Fax/Modem.

(5) Laser Printer (HP compatible PCL5 emulation) not accessed through a network (requires DOS 5.0 or greater).

(6) Colorado backup tape drive and supporting software.

(7) Surge protector.

(8) MS-DOS 6.2 or later / Microsoft Windows 3.1 or higher. Note: CAV II software (1.08) will run outside of Windows.

(9) PK Zip Package (latest DOS version).

(10) CAV II requires a dedicated phone line for reporting purposes to be provided by the contractor. This phone line cannot be connected through a company switchboard.

b. Contractor Furnished Software for CAV II, Version 1.09:

(1) Windows 3.1 or higher. Optional, if not provided with 4.a(8) above. Note: CAV II software (1.09) runs in Windows.

c. Government Furnished Software:

(1) The government will provide the current version of CAV II software and BLAST communications software with necessary scripts.

(2) Jetform JFMERGE Software

(3) Avery Laser Labels, #5164 (3 1/3" x 4") for Implementation Process only.

d. Restrictions:

(1) **Changes to CAV II software are NOT AUTHORIZED.** The Government intends to continue improvements of CAV II throughout its operational life. The contractor will be notified prior to the release of any software enhancements.

(2) A modem link with hardware at the contractor's facility may be utilized as necessary to distribute program enhancements, resolve software problems, or access data files for research.

5. CAV II Security Requirements. Contractors utilizing Government owned software must comply with the following security guidelines:

a. Designate a Terminal Area Security Officer (TASO) in writing and submit a copy of this letter to the Procuring Contracting Officer (PCO). The TASO will be responsible for ensuring that the company complies with all security requirements as listed in this section.

b. Foreign nationals are not authorized access to Government ADP systems.

c. The contractor will complete the appropriate MSC security forms for all personnel having access to CAV II. The information will be provided to the PCO and Administrative Contracting Officer (ACO) prior to implementation of CAV II and will be updated prior to any changes in personnel.

d. Maintain a copy of TASO designation and List of Authorized Users to be presented upon request.

e. Challenge any unauthorized personnel attempting to utilize the terminals and report ADP security violations, suspected compromises of system passwords, or incidents to the PCO and ACO.

f. Ensure that all authorized terminal area personnel are familiar with the security requirements for the terminals.

g. Ensure that the terminals are utilized to process only data authorized to the user.

h. Report all unsolicited output.

i. Report all accidental unauthorized access to systems/files/data to the PCO and ACO for investigation.

6. **Reconciliation Requirements.** The Army is attempting to eliminate the requirement for contractors to submit monthly accountability reports. Each MSC/ICP will be actively resolving CAV Observed Differences (COD) and tracking Stock-in-Transit (SIT) discrepancies. If the MSC/ICP does not possess the required information to resolve cited differences, the contractor will be contacted for assistance. To support this effort, the contractor may be required to archive completed CAV II transactions quarterly and mail a floppy disk copy to the contracting activity.

Within six to twelve months after CAV II implementation at a contractor's facility, the appropriate Government personnel will review reporting performance. The formula for computing the contractor's error rate/COD is: the number of contractor errors divided by the total number of transactions (BZCs) sent to each MSC/ICP. Example:

$$\frac{(\text{Contractor Errors})}{(\text{Total BZC Count})} = 2\% (.02) \text{ or less}$$

Low error rates (less than 2 percent) and a pattern of consistent, timely and accurate reporting may justify elimination of monthly accountability reports. Failure to maintain performance will result in a re-establishment of the requirement to provide monthly accountability reports.

CAV II provides eleven separate inquiry options (a. through h.) and utility functions (i. through k.) to assist the contractor.

- a. Display/Modify data for specific RCDN.
- b. Display data by Contractor Reference Number.
- c. General History File Inquiry.
- d. Active File Inquiry.
- e. Inventory Count by Condition Code.
- f. Active File Inquiry by Order Number.
- g. Proof of Shipment Information.
- h. Condition Code "G" History.
- i. History File Maintenance.
- j. Backup CAV II data to diskette and tape.
- k. Reindex files.

7. CAV II Implementation Procedure:

a. Jointly the Government and Contractor will determine the total number of assets on hand by condition code ("F", "H", "M", "A", and "J"). This quantity should be obtained from the accountable inventory records.

b. A receipt will be processed for reparables in "F", "M", "H", and "A" condition code by MIMN by each contract on the current document number. A list of current document receipts will be provided to the Contract Administration Office (CAO) Property Administrator (PA).

c. Each receipt will generate MMD/MLs equal to the quantity entered into the receipt processing screen.

d. LOCATE EACH ASSET ON HAND AND ATTACH CORRESPONDING MMD/ML TO EACH ASSET. For items in other than "F" condition, attach MMD/ML and record the required information as indicated in attachment 1. Results of the survey and implementation receipts will be reviewed by the PA. Differences will be resolved to the satisfaction of the PA and/or the procuring activity. If the inventory records need to be adjusted to bring them into agreement with the survey, it will be accomplished by the contractor and the PA with no effect on CAV II.

e. Enter transactions to reflect the actual condition code of inventoried assets. For example, an item in work/production ("M" condition) must be first reported as a receipt and then reported as an induction. Completed/repaired items ("A" condition) must be reported as receipts, then inductions, and then completions.

f. Once the CAV II database has been updated to reflect actual status of assets held, use inquiry Option #5 to print an Inventory Count by Condition Code. Also print the General Active File for all RCDNs utilizing inquiry Option #4. These printouts will be used by Defense Contract Management Command (DCMC) PA to ensure all transactions are input and processed accurately.

g. Excluding unusual circumstances, the CAV II Implementation Process is only performed once following the initial contract award. It is not intended that this Implementation Process be applicable during renewed/follow-on and extended contract periods of performance.

8. Reporting. Reporting new transactions to each MSC/ICP is required each day, providing there has been new activity, such as receipts, inductions, awaiting piece parts, reinductions, scrap, completions, shipments, or any other condition code change. **Transmission of new data will occur the same day the CAV II system has been updated.**

9. Training. Training of contractor personnel will be provided at the onset of implementation. **The contractor is responsible for training additional data entry personnel to the extent necessary to maintain accurate input and timely transmission of data to the government.** In the event questions occur, contact the MSC/ICP POC for clarification and reassurance to avoid incorrect data entry and contractor errors.

10. **IF YOU EXPERIENCE ANY SOFTWARE PROBLEMS, NOTIFY THE PCO IMMEDIATELY.**

**Attachment 1
REQUIRED INVENTORY INFORMATION
INCIDENT TO CAV II IMPLEMENTATION**

1. "F" Condition:

Contract DODAAC, Source Document Number, National Stock Number (NSN), Received From RIC, Quantity, Contract Number, Receipt Date, Delivery Order, Award/Order Date, and CLIN.

2. "J" Condition:

Source Document Number, National Stock Number, Received From RIC, Quantity, and Date Received.

3. "M" Condition: Record the following information by contractor reference number or RCDN:

Date Inducted, Order Number, Estimated Completion Date, and New (Output) NSN.

4. "G" Condition: Record the following information by contractor reference number or RCDN:

Awaiting Parts Date, Material Furnished By (contractor or Government), and NSN/Part Number.

5. "M" Condition:

Reinduction - Record by contractor reference number or RCDN, the reinduction date.

6. "A" Condition: Record the following information by contractor reference number or RCDN:

DD Form 250 date and DD Form 250 number.

7. "H" Condition:

- a. If condemned from "F" condition, only record date scrap was requested.
- b. If condemned from "M" condition, record information listed in paragraph 3 above (excluding the est. completion date) plus date scrap was requested.

MANUAL REPORTING

1. Retention of Transfer of Accountability.

a. TACOM-ACALA is required to retain property accountability for all assets being repaired. Therefore, Army regulations rather than the Federal Acquisition Regulation (FAR) govern the practices and procedures necessary for recording receipts, discrepancies, inventories, adjustments, and shipments by the contractor.

b. Government furnished equipment (GFE) for temporary use and Government furnished materiel (GFM) for consumption/incorporation: Accountability for this materiel is transferred to the contractor under provisions of the FAR. The contractor shall maintain the official property records in accordance with Part 45. Cited data item descriptions provide transaction reporting necessary for accurate physical and fiscal accounting for materiel in the possession of defense contractors.

c. The contractor shall forward information required by the CDRL, via letter, IAW the required distribution:

POC: Director, TACOM-ACALA
ATTN: AMSTA-AC-NCDA
Rock Island, IL 61299-7630
Commercial Phone: 309-782-0077

2. Materiel Status by Contractor.

a. The contractor shall receive assets from the Government and shall perform an inspection and inventory within the time specified by Data Item No. A001 (DI-MGMT-80442).

b. Discrepancies shall be distinguished and reported as one of the following:

(1) Transportation-type discrepancy. This discrepancy is evident when material received disagrees with the condition, quantity or type from that property described on the bill of lading or other transportation documents. A report of discrepancy shall be delivered IAW Data Item No. A002 (DI-MGMT-80554A).

(2) Shipping-type discrepancy. This discrepancy is evident when freight is opened and the contents do not agree with the supply shipping documents. A report of discrepancy shall be delivered IAW Data Item No. A003 (DI-MGMT-80503).

c. Assets received shall be reported by NSN, serial number, quantity, and document number of receipt. Reporting data may be obtained from DD Form 1348-1A, DoD Single Line Item Release/Receipt Document accompanying the receipt or from other documentation provided. If assets are received with a document number other than W52H09___H2___, contact the POC listed below for assignment of a document number prior to induction for repair.

POC: Director, TACOM-ACALA
ATTN: AMSTA-AC-NCPD
Rock Island, IL 61299-7630
Commercial Phone: 309-782-6369

3. Component Removal.

Repairable components which are removed from the item being repaired and not reassembled to the repaired item shall be reported IAW Data Item No. A001 (DI-MGMT-80442). Condition code H assets containing serviceable components in a critical supply posture which have been identified to the contractor by the Government Procuring Contracting Officer shall have the serviceable components removed from the condition code H asset and reported to the POC in paragraph 2b above for disposition instructions. These serviceable components shall also be reported in accordance with DI-MGMT-80442.

4. MILSTRIP Requisitioning.

MILSTRIP requisition authority is granted for items identified by NSN and quantities (not to be exceeded). MILSTRIP requisitions shall be submitted via the Soldier Support Network as outlined in Data Item No. A005 (no DID cited) and as described in the ELECTRONIC REQUESTS section of this SO W.

5. Shipment of Repaired Items.

a. Upon completion of repair, the contractor shall ship in place the repaired item and store it until direction is received from TACOM-ACALA as to where to ship the item. The contractor shall use DIO Form 1348-1A, DoD Single Line Item Release/Receipt Document. TACOM-ACALA will provide the contractor the document number and a ship-to address in which to ship the item.

b. Receipts shall be reported in accordance with DI-MGMT-80442 for assets which are classified as condition code H as well as component assemblies of assets which are classified as condition code H. The contractor shall contact the Item Manager for disposition instructions.

6. Consumption of Government Furnished Materiel (GFM).

The contractor shall provide reports of GFM consumption IAW Data Item No. A004 (DI-MGMT-80438A).

7. Inventory Control.

a. Contractor shall maintain custodial inventory records of assets for which TACOM-ACALA is accountable to enable the calculation of an inventory balance by NSN.

(1) Part 45, FAR, contains provisions acceptable to Department of Army accounting requirements for assets wherein accountability rests with TACOM-ACALA.

(2) These requirements are not to be confused with federal requirements wherein accountability for stock does not rest with TACOM-ACALA and the contractor is required to use Part 45, FAR.

b. Physical inventories will be required periodically upon request of the government in accordance with the CDRL (DD Form 1423) of DI-MGMT-80442.

(1) Gains resulting from subtracting the quantity recorded on accountable records from the quantity physically inventoried will be posted on accountable records by adjustment report by TACOM-ACALA.

(2) Losses resulting from subtracting the quantity physically inventoried from the quantity recorded on accountable records of TACOM-ACALA are subject to Report of Survey. The contracting officer will effect a finding and determination will be included in the Report of Survey as an exhibit.

c. The appointing and approving authority will be the commander of TACOM-ACALA or persons to whom this authority has been delegated.

ADDENDUM I

Accountability Instructions

1. The intent of this Addendum is to phase in the use of Commercial Asset Visibility, Phase II (CAV II). For the first 3-6 months of this contract, there will be a dual reporting system. Reports will be generated through both CAV II and those reports cited in the "MANUAL REPORTING" section of this addendum and listed in the contract data requirements list (CDRL). During this time the accuracy of CAV II will be evaluated and when it is determined that CAV II is working properly, the requirement for Data Item No. A001, cited in the "MANUAL REPORTING" section of this addendum will be deleted.
2. The contractor shall also be the storage depot for spares. After repair has been completed, the contractor will ship in place the asset and wait for instructions from TACOM-ACALA as to where to ship the asset.

ADDENDUM I CONTINUED
ELECTRONIC REQUESTS

1. MILSTRIP requisitions shall be submitted via the Soldier Support Network (SSN) on the internet. The URL is: <http://www-ssn.ria.army.mil/ssn/larsn.html>. Once at the internet address, complete the "access request form" and mark the block for "DOD Contractor," which will bring up another screen that asks for the contractor's CAGE code (enter "7Z941" for items on this contract). A user ID and password will be assigned for access to the SSN. Select "ACALA (B14) Requisition Entry." MILSTRIP requisition authority will be granted on a case by case basis by the item manager at TACOM ACALA, depending on other requirements for the stock located at the contractor's facility.
2. Any questions about the use of the SSN should be directed to Ray Rivero at (309)782-0042.
3. The following is a sample of the screen and data needed to complete a requisition on the SSN:

ACALA (B14) REQUISITION ENTRY

Fill in the appropriate information below, then press the CONFIRM button.

Field Name (corresponding DD-1348 columns):

Doc Ident (1-3): ADA A01 A0A

Rout Ident (4-6): * (see note below) B14

M&S (7): S

NSN (8-20): Fill in NSN required

Blank (21-22)

Unit of Issue (23-24): EA

Quantity (25-29): Fill in quantity required

Requisitioner (30-35): Date (36-39): Serial (40-43):
Your DODAAC(30-35)

Demand (44): N

Supplementary Address (45-50): Your DODAAC for this contract

Signal (51): C

Fund (52-53): MC

Distribution (54-56): S

Project (57-59): ZCN

Priority (60-61): 03--work stoppage, 06--anticipated work stoppage
13--routine requirement

Req. Del. Date (62-64): 3 digit Julian date when item is required

Advice (65-66): 2J

Exception Data (67-80):

Include E-Mail Address for Receipt Acknowledgment

* Requisitions for RIC's other than B14 Weapon System Items may be delayed at this time. It is suggested that requirements for other RIC's be entered through the following Link.

DLA Requisition Entry

Future enhancements will allow full automated entry for all DOD supply sources.

ACALA Soldier Support Network
ACALA Home Page

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