1964

Requisitioning procedures: a comparative study.

York, William B.

Monterey, California: U.S. Naval Postgraduate School

REQUISITIONING PROCEDURES: A COMPARATIVE STUDY

WILLIAM B. YORK

REQUISITIONING PROCEDURES

A COMPARATIVE STUDY

* * * * * * *

William B. York, Jr.

REQUISITIONING PROCEDURES

A COMPARATIVE STUDY

by

William B. York, Jr.
Lieutenant Commander, Supply Corps, United States Navy

Submitted in partial fulfillment of
the requirements for the degree of

MASTER OF SCIENCE
IN
MANAGEMENT

United States Naval Postgraduate School
Monterey, California

1 9 6 4

REQUISITIONING PROCEDURES

A COMPARATIVE STUDY

by

William B. York, Jr.

This work is accepted as fulfilling
the research paper requirements for the degree of
MASTER OF SCIENCE
IN
MANAGEMENT
from the
United States Naval Postgraduate School

ABSTRACT

The Military Standard Requisitioning and Issue Procedure (MILSTRIP) was designed to provide forms, formats, codes and documentation necessary to attain one basic automatic data processing (ADP) oriented requisitioning and issue system throughout the Department of Defense. The Navy Standard Requisitioning and Issue Procedure (NAVSTRIP) implemented the program in the Navy on 1 July 1962. This system prescribed standard format and data elements for communicating supply requirements, action, and information throughout the Naval Supply System and between services.

This study consists of: a brief discussion of MILSTRIP development; an outline of MILSTRIP/NAVSTRIP basic manual requisitioning elements; and a review of several requisitioning systems used in industry and business. The purpose of the study is to make some comparisons between the requisition systems investigated in an effort to summarize common elements and to make recommendations for simplifying NAVSTRIP requisition form (manual) and procedures.

The writer wishes to express his appreciation for the assistance and encouragement given to him by Commander Sherman W. Blandin, Supply Corps, U. S. Navy, of the U. S. Naval Postgraduate School, in this research. Also, appreciation is expressed to the many persons who contributed basic information regarding requisitioning procedures in business and industry.

TABLE OF CONTENTS

TABLE OF CONTENTS (Continued)

TABLE OF CONTENTS (Continued)

LIST OF ILLUSTRATIONS

LIST OF ILLUSTRATIONS (Continued)

CHAPTER I

THE PROBLEM AND DEFINITIONS OF TERMS USED

I. Significance of Requisitioning Procedures and Forms

Emphasis on improved inventory or materials management, during the past two decades, in both industrial-business enterprises and governmental agencies has resulted in many studies and research efforts. In most business organizations a substantial part of their assets are represented in inventory, and effective control procedures are an important element of their operations.[1] In many companies, including manufacturing, stores inventories may represent half of the company's net worth. In wholesale merchandising and department store businesses, the percentage is much higher, and in most cases the value of their inventories far exceeds the value of their cash at all times.[2]

Usually, such aspects of this management control area as the determination of economic lot sizes and demand forecasting systems for raw materials, supplies, and repair parts; development and improvement of purchasing procedures and forms; improvement of storage and materials handling methods; and determination of economical and efficient distribution or transportation methods receive the most

[1]Data Processing Division, International Business Machine Corporation. General Information Manual, Inventory Control and Material Accounting. IBM, 1961: 1.

[2]Hodges, H. G. Procurement the Modern Science of Purchasing. Harper and Bros., 1961: 216-217.

attention. The research and development efforts in the above facets of inventory management have produced the means and methods for many improvements, more efficiency, and more profits (or cost savings). Undoubtedly, many of the successes realized from these studies can be attributed to increased use of scientific management techniques of quantifying problem elements and the development and extensive use of computers in mechanically processing data for problem solving. Evidences of many successful applications of scientific management can be found in the business and trade publications. Also, many large corporations have added operations research or management science staffs, and graduate schools of business have added whole new departments in these subjects.[3]

One material control process that is more mundane and relatively simple as compared to a complicated problem such as forecasting of inventory requirements is the requisitioning procedure. The importance of this phase of operations is indicated by the trend for many years toward paper records and perpetual inventories and away from control through the physical stores themselves.[4] Several studies have indicated a policy by industrial companies of tightening up on stock disbursements through the use of an approved

[3]Data Processing Division, International Business Machine Corp. General Information Manual, IMPACT - Inventory Management Program and Control Techniques. IBM, 1962: 1.

[4]Ritchie, W. E. Production and Inventory Control. Ronald Press Co., 1951: 94.

requisition which is delivered to the warehouse or storeroom storekeeper.[5] Even though the subject of requisitioning and the necessary forms to produce orders is not as thoroughly pursued as some of the more complex aspects of inventory control, the development of procedures and design of forms is not overlooked. Numerous cases of efforts in this field were reviewed in this study. In fact, many companies and government agencies such as the Department of Defense have expended much money, time and effort to develop requisitioning procedures and design forms as part of their over-all inventory management system.

In some respects the success or failure of any effective and efficient inventory control system rests on the premise that there is a responsive means of providing information and data accurately and expeditiously throughout all levels of the system. Usually, such information as material requirements, receipts, storage locations, inventories, and issues is provided by recording of applicable data on paper forms. Even though there has been a trend, during the past several years, in both industry and government toward recording and processing more and more of this information on mechanized records - EAM cards, paper tape, and magnetic tape by electric accounting machines and computers - there still remains a need to record certain input data on forms, manually at some

[5]Melnitsky, B. Management of Industrial Inventory. Conover-Mast Publications, 1953: 193.

stage of the cycle.[6]

Thus, it can be concluded that the procedures and design of forms for requisitioning or ordering (purchasing) materials are considered to be important, and they must be developed to permit manipulation and recording of data by human hands. This is necessary to insure that appropriate information flows throughout the organization - either to responsible personnel in the form of orders, purchase orders, reports, etc., or to the data processing equipment for compilation. One can look at a requisition document as a silent, unhuman, and yet dynamic messenger or vehicle of information for those concerned with obtaining and using materials and supplies and those concerned with the control of ordering, stocking, or issuing of required items.

II. The Problem

Material Requisitioning in the Navy. With the advent of the Military Standard Requisitioning and Issue Procedure (MILSTRIP) and the Navy Standard Requisitioning and Issue Procedure (NAVSTRIP), the Navy requisitioning procedure changed from a semi-mechanized one to a fully machine-oriented procedure. Since 1 July 1962, the information recorded on a requisition document has had to be coded to a great degree and entered in a rigidly prescribed manner to permit ultimate EAM processing. Under NAVSTRIP, the

[6]A cycle is defined in this case as the process of ordering, receiving and issuing an individual item of material or merchandise for use in conducting operations.

requisition and issue documents are not simple and meaningful documents to the average consumer of material. Today, it takes a trained specialist to interpret and get some meaning from the so-called routine order document in the U. S. Navy and in all Department of Defense activities. This is true primarily because of the desired mechanical processing which depends eventually on key punching of applicable data. Unfortunately or fortunately, depending on the way one looks at the problem, EAM cards can only contain a limited number of characters; thus, the need for considerable abbreviation and coding. Although this is true, the procedures must accept manual preparation and processing for some levels of the requisitioning cycle.

Statement of the Problem. It was the purpose of this study (1) to review some of the development studies which led to the implementation of MILSTRIP and NAVSTRIP; (2) to examine and summarize the basic elements of MILSTRIP and NAVSTRIP; (3) to examine and summarize the basic steps of requisitioning procedures and forms used by several U. S. corporations; (4) to summarize common elements in these requisitioning procedures and make comparisons; and (5) to review some of the problems encountered by Navy nonmechanized requisitioners and make recommendations for alleviating them in the future.

Importance of the Study. The implementation of MILSTRIP/NAVSTRIP inaugurated, perhaps, the most sophisticated, complex, and all-inclusive requisitioning procedure ever known to man. The procedures, forms, and formats were developed

and designed as a requisite step toward a highly automated inventory management system throughout the Department of Defense.[7] It was essential to have a common language and standard procedure in order to proceed with plans for a mass supply support system for common use items between and within the military departments. MILSTRIP provided the necessary tools for the furtherance of these plans. Originally, the ideas were conceived for a requisitioning procedure that would be used by "single managers" only; however, Mr. T. D. Morris, Assistant Secretary of Defense (Installations and Logistics) directed the implementation of the procedures and forms for most supply transactions among and within all military departments.

The changeover to a highly mechanized system had far-reaching ramifications to users in all services, especially to those who were not geared to mechanization of record processing.

Even though the procedures have held up "under fire" and seem to have proved their over-all benefits to the inventory management system, certain problems have been brought to light, especially insofar as the "manual" requisitioners are concerned. The true value and applicability of the requisitioning procedures should be judged, at least to a degree, by their adaptability and applicability at the user level (whether that level is capable of key punching order cards

[7]Ball, S. M. Supply Management Progress Report. Monthly Newsletter - Magazine of the Navy Supply Corps. v. 25, July, 1962: 20.

or must type or write them out) and by the improvements and savings realized in over-all supply support to the operating units in the field, at sea, or deployed anywhere in the world.

III. Definitions of Terms Used

The terms used in supply operations are not familiar to everyone and are sometimes interpreted differently by different people. During the process of conducting this research, it became apparent that supply terminology varied considerably in industry and business. It was not unusual to find three or more different terms meaning somewhat the same thing from company to company. For example, a stock number, which is a number constructed in various ways with integers and/or letters to identify an item of stock, was called a stock number, an article, item, line, unit, and product code by different companies. To clarify some of these semantic differences and to provide a common meeting between the writer and the reader the following definitions of terms are provided.

To acknowledge the reference to other publications and to particular procedures discussed later in this paper the following codes will be found in parentheses at the end of each definition.

CODE	REFERENCE AND/OR PROCEDURE
(NS)	NAVSTRIP - use for reference and terminology under both MILSTRIP and NAVSTRIP.
(MW)	Montgomery Ward procedures.

CODE	REFERENCE AND/OR PROCEDURE
(SR)	Sears, Roebuck and Co. procedures.
(NB)	National Biscuit Co. procedures.
(G)	General - general reference and applicability.

Accounting Number. An accounting number is a numerical symbol assigned by the Comptroller of the Navy to ships, aircraft units, and shore activities for the purpose of identification on all documents entering into accounting processes. (NS)

Advice Codes. Advice codes are those used by the requisitioner to furnish data to supplying activities, such as "Do Not Substitute." (NS)

Article Number. An identifying number for each specific item under each department. (MW)

Automatic Data Processing (ADP). Automatic data processing employs a stored-program operated computer or other processing equipment. The computer, guided by its program, produces outputs from available source data without intervention by man. ADP is often referred to as electronic data processing; however, ADP equipment may or may not be electronically operated. (G)

Backorder(s). The holding in suspense of a material request until available for issue. Formerly referred to in Navy terminology as an "Obligation." (G)

Bakery and Shipping Branch. The organization, personnel, and facilities for baking and shipping NABISCO products to the sales branches for distribution to the retail outlets. (NB)

Basic List. The list which identifies those articles which are centrally procured either by central buying offices or mailorder houses and stored in the mailorder houses for replenishment of retail store stocks. The articles so designated must be ordered from the mailorder house by the retail stores. (MW)

Bill To. For all interservice transactions and intra-Navy case sales, "Bill To" means prepare the proper billings and "Forward To" the activity designated. For intra-Navy final title expenditures the "Bill To" activity is the chargeable activity. The accountable activity is otherwise identified. (NS)

Bundles. The bulk ordering unit for each product. These units are used by the sales branch to order from bakery and shipping branches. The bundle is an economical shipping quantity for loading on pallets or in large shipping boxes. Sales branches are encouraged to order in bundle quantities only. An example: a bundle of product number 27 - VERI-THIN pretzel sticks, 7½ oz. contains 95 packs. (NB)

Buying Department. A merchandising department of the Sears organization. There is a buying department for each division in the retail store. The offices of the buying departments are located in either Chicago or New York. There are branch buying departments in each of Sears' territorial headquarters, such as Los Angeles, Calif. (SR)

Cancellation. A total or partial discontinuance of supply action requested of and confirmed by the supplier. (NS)

Chargeable Activity. The chargeable activity is the activity for which the expenditure represents a cost of operation regardless of the funds used, the activity administering the funds, the activity performing the accounting, or the activity preparing the requisition. (NS)

Cognizance Symbol. A one or two-digit code (letter and/or number) to identify a commodity of material for inventory control purposes within the Navy. This code is a prefix to the FSN on Navy inventory records and documents. For example: "N" cog identifies electronic equipment and repair parts. (NS)

Control Store. A catalog-order plant. Sears has eleven of these huge plants (warehouses) in the United States. The control stores buy, stock and issue (sell) merchandise for customers - through catalog orders - and to retail stores for stock and resale. In general each control store serves a specified territory. (SR)

Control Store Pack. The smallest number of an item that can be ordered at one time from control store or pool stock. If the factory pack is given in the Unit Buying Control (UBC) pages, merchandise is ordered in multiples of the factory pack to simplify packaging at control store or pool. (SR)

Data Processing. Data processing is the receiving, recording, manipulation, transmission, and reporting of all types of transactions. Data processing is the primary means utilized by management in compiling information used to exercise control over an organization. (G)

Data Transceiver. A digital communication device

capable of transmitting and receiving information, with an acceptable degree of accuracy, in a form suitable for direct input to a data processing system. (NS)

Demand Code. A mandatory entry of single alphabetic character by the initiator of a requisition or a supply directive to indicate to the management element of a distribution system, whether the demand is recurring or nonrecurring. (NS)

Disposition Codes. The codes used by the mailorder house processing sections to indicate exception action on retail-store stock orders; e.g., PO-1 means "Out of Stock - Reorder in Ten Days." (MW)

Distribution Codes. The codes which identify the territory (location) and type of store (small, large, etc.) on all order and shipping documents. (MW)

Division. A unit in the retail store that sells a particular line (or group of items) of merchandise. Each division is numbered; e.g., Division 6 - Sporting Goods. (SR)

Document Identifier. A code (three characters) that identifies the basic type of administrative action, the specific subtype of supply transaction, and related modifying instructions for each type of supply document used throughout the requisitioning, processing, and issuing functions or other types of supply transaction within and between supply and distribution systems. (NS)

Document Number. A 14-digit nonduplicative number constructed so as to identify the military service, Julian

date, requisitioner, and serial number. (NS)

Exception Supply Status. Any nonpositive supply availability decision alone or in combination, i.e., any supply action other than issue of material in the quantity requested results in exception status. (NS)

Factory Pack. The number of items packed as one shipment at the source. The factory pack may be one, two, four, eight, 12 or packed in dozens, etc. (SR)

Fill Unit. The number, Minimum Order Quantity (MOQ), of standard pack units to be packed for shipment to the retail store. This will correspond to the unit of storage in the warehouse - box, carton, crate, bag, etc. (MW)

Follow-up. An inquiry as to the action taken on a requisition previously submitted. (NS) (G)

Force/Activity Designator. (A Roman numeral) A designator established by each military service or the JCS which relates to the military mission of the force or activity. (NS)

Fund Code. A two-digit code which may be used to cite accounting data on Navy requisitions. (NS)

Inventory Manager. Inventory Control Points and Defense Supply Agency Supply Centers. (NS)

Item. One piece, or a particular size or color range, or the smallest selling unit, of a line of goods. For example, items from various lines are: a pair of nylon hose in a certain size or color; a piece of cotton cloth; or a set of golf clubs. (SR)

Item Ratings. All items of merchandise are "rated"

according to the amount of sales volume the item is expected to contribute to the line or to the division. For example, item ratings begin with "Basic-basic" (BB) which is given to the most important items. (SR)

Julian Date. The Julian Date consists of two elements: the last digit of the calendar year and the numeric consecutive day of the calendar year; e.g., 2Ø52 - 21 February 1962. The numeric consecutive day of the calendar year is found on Government-issue calendar pads. (NS)

Line of Merchandise. An assortment of related items grouped together for buying, selling, and all other merchandising activities. While related, the items in a line may differ in size, color, quality, pattern, or type. (SR) (MW)

Mailorder House (or Catalog-Order Plant). The organization, personnel, and facilities - offices, warehouses, etc.- for buying, stocking, and issuing (selling) merchandise to retail stores and customers in a given region or territory. (MW) (SR)

Material Release Order. A requisition-type order issued by an accountable supply-system manager directing a non-accountable activity (usually a storage site or material drop point) within the same supply distribution complex to release and ship material. (NS)

Media and Status Code. A single-character code that indicates the type status required, who is to receive the status, and how the status is to be furnished, i.e., communications media. (NS)

Merchandise Departments. The designation of the organizational structure by commodities of merchandise. An overall descriptive title of a grouping of merchandise items. For example, Department 60 is the designation used throughout the organization for Sports Equipment and Items. Department numbers are used to identify types of merchandise bought, stored and sold through the mailorder house, retail store, and catalog. Department numbers are also used as a part of the identifying number for items ordered by retail stores and customers. (MW)

Merchandise Lines. A classification of items within a department by general category of material; e.g., under Department 60 - Sports Equipment - a merchandise line would be firearms and accessories. (MW)

Merchandise Lists. The division manager's reference book for merchandising his division. Each Merchandise List (ML) covers one line of merchandise. The Lists contain introductory pages, entitled "Merchandise List Pages" and "Unit Buying Control Pages." The ML pages describe and illustrate merchandise, give its stock numbers, selling prices, markup codes, and "item rating" or importance. The UBC pages give ordering information and are the basis for deciding how much merchandise to order. (SR)

Merchandise Record. The record which provides identifying information for articles which are authorized for resale in the retail stores. This record indicates the articles which are either centrally procured and stored

through the mailorder house system or for which open-end type contracts have been consummated by Montgomery Ward buying offices. The merchandise records give complete identification of each article - size, weight, color, etc. - provides ordering and markup information, and serves as a document for recording inventory on hand, received and "needed" by the retail store. (MW)

Minimum Order Quantity. The minimum quantity of each article which may be ordered by each stock order. The MOQ is determined by the minimum economic quantity which is packed and shipped by the manufacturer. Articles which have "standard" packs are issued in the MOQ to the retail stores regardless of the quantity ordered by the store. (MW) (SR)

Minimum Source Shipment. The smallest number of an item that the source will ship at one time. (SR)

Mode of Shipment Code. The mode of shipment code is a one-digit alphabetic character which identifies the initial method of movement by the shipper. (NS)

Nonrecurring Demand. A demand made on a "one-time" basis. Normally, to provide initial stockage allowances, meet planned programmed requirements, and to meet one-time project or maintenance requirements. (NS)

Pack. The unit of packaging by the bakery; e.g., one pack of product number 27 contains six individual boxes of pretzel sticks. (NB)

Parent. An adjective describing the Chicago Headquarters of Sears, Roebuck and Co., hence the "parent office."

Parent consists of the top executive staff of the company, the central administrative, operating, and supply departments, and the buying departments. (SR)

Passing Action. The term is applicable when forwarding material demands from one supply source to another supply source. (NS)

Pool Stock (or Pool). The items (articles) of merchandise carried in the mailorder house warehouse for replenishment of retail store stocks. (MW) A company warehouse established for the purpose of distributing merchandise to specific divisions in the store, especially to those divisions where mass handling and storing of goods is cheaper and more efficient than regular methods. "Pool" operations are similar to those of the control stores. (SR)

Priority Delivery Date. The maximum standard terminal date for normal order and shipping time required for a supply system to effect delivery of items to a requisitioner. (NS)

Priority Designator. The numeric entry made by the initiator of a requisition which relates to the mission of the requiring activity and the urgency of need for the material. (NS)

Product Code Number. A numerical code (one, two, or three digits) used to identify each NABISCO product - a stock number; e.g., 370 - Ritz crackers, one lb. box. (NB)

Project Code. A three-character code assigned to identify projects of a special program nature for recognition throughout any distribution system. (NS)

Recurring Demand. A demand to replenish material utilized on a day-to-day basis. (NS)

Referral Order. An order used between depots, inventory managers, or other managers in an established supply distribution system for the purpose of passing correctly routed requisitions for "not in stock (NIS)" items for continued supply action when the initial activity cannot fill the demand. (NS)

Required Delivery Date. The specific calendar date, other than the Priority Delivery Date, when material is required by the consignee. (NS)

Requisition. The document originated by the requestor to a supply point to obtain material. The supply source may also be in the activity itself, such as a company main warehouse. In Navy usage, requisitions may be transmitted by message (NTX), telephone, or radio when time is of the essence. Such requisitions will be relayed in exactly the same coded format as that specified for message requisitions. (NS) (G)

Retail Store. The organization, personnel, and facilities for retail selling of merchandise to customers in a given area - a city or part of a city. The stores are classified as small, large, extra large, etc., according to annual sales volume. (MW) (SR)

Routing Identifier. (RI) A code (three characters) that identifies a specific supply and distribution organization as to its military service or governmental ownership. (NS)

Sales Branch. The organization, personnel, and facilities (offices, warehouses, etc.) for ordering, stocking, and distributing NABISCO products to retail outlets in a specified territory. (NB)

Service Code. A single character code that identifies a Service or element of a Service; e.g., "N" - Navy. (NS)

Shipment Status. Positive advice of shipment including date of shipment, mode, bill of lading, or airway bill number, as applicable. (NS)

Signal Code. A single alphabetic code having dual purpose in that it designates the field containing the intended consignee and the activity to receive and effect payment of bills, when applicable. (NS)

Source. A manufacturer who sells merchandise to Sears for resale. Each source is assigned an identifying number for ordering purposes. A vendor who sells merchandise. (SR)

Status Codes. Furnishing of information from supply sources to requisitioners or consignees of the status of requisitions. (NS)

Stock Number. The identification number of each item. It may be four digits that are prefixed by code letters such as "R" or "0" and/or suffixed by code letters such as "K" or "L"; e.g., R2502L. (SR) A Federal Stock Number consists of an eleven-digit number consisting of the following: first four digits - Federal Group and Class or commodity; last seven digits - Federal Item Identification Number (FIIN) used to identify each item under each Federal Group and Class. (NS)

Sub-Class. A classification of items within a merchandise line by an identification of a specific type of item; e.g., under Merchandise Line - Firearms and Accessories: Single Barrel Shotguns and Center Fire Rifles. (MW)

Unit of Selling. The unit of each article which may be sold to a customer (minimum quantity); e.g., each, pound, pair, etc. (MW) (SR) (NB)

IV. Assumptions and Limitations

Assumptions. It is assumed that there will be continued emphasis on the development of a highly automated and quick reaction inventory management system in the Department of Defense. Machine-oriented formats, codes and forms will continue to be a requisite for information input data from all levels. It is also assumed that the ultimate goal of the inventory management system will be to provide the best supply support possible to all levels of consumers within given economic and feasible criteria. Any future developments in the requisition documents and other material movement documents will be made to provide for maximum simplicity and adaptability throughout the Department of Defense activities.

Limitations. This research has confirmed a belief that a highly mechanized data system has definite limitations, such as extensive coding due to limited space available on EAM cards and forms. This in itself results in unavoidable complexities in the design of procedures for the preparation and processing of order cards and issue forms.

Obviously, the field of requisitioning and issuing of materials is an extremely broad one. For example, the field encompasses such aspects as purchasing of materials from vendors, identification of materials, special rules for requisitioning certain types of materials, accounting data and summarization of charges (or billing), shipping and invoicing of materials, etc. This study did not attempt to cover the many requirements and variations of the procedures for requisitioning of materiel. The study was concerned only with the procedures and forms used by the Department of Defense activities, specifically the U. S. Navy, and by several business firms to requisition common use items of supply by the consumer or retail level, internally or from a supply point or supplier. The investigation was directed mainly to the consumer or user of material who must prepare his requisition manually.

Early in the study, it became evident that the corporations contacted either did not have written procedures on this subject or that they considered them semi-proprietary and would not provide them. There were several cases, however, where they would have been willing to provide information if a personal visit could have been made to one of their offices. Examples are automobile manufacturers, drug dealers, and department stores. Limited time for this study precluded many visits and a thorough analysis of many commercial procedures. It is hoped that the data recorded herein even though limited in scope, will prompt further review and study

of the subject by interested agencies or individuals.

V. Review of the Literature

Literature on the subject of requisitioning, per se, is not easy to locate. It is not a subject which is dealt with separately since it is only one aspect of broader subjects of procurement, inventory control, or materials management. This is due partially to the greater attention given to these broader subjects, the effort and costs of developing an operating procedure within industry and business that is considered in some cases semi-proprietary (thus, not available for publication), and the detail and complexities of a requisitioning system that is usually designed to meet a specific company or agency need. Another reason for the lack of literature on this subject is the lack of written information within corporations and the resulting need for an actual case study of the procedures.

Most trade journals publish articles on much broader subjects. The only magazine that gives much coverage to the subject is Purchasing.

With the emphasis on the need for an automated and efficient inventory control system in the Department of Defense and the recent establishment of the Defense Supply Agency and the resulting need for a machine-oriented requisitioning and issue procedure, excellent publications and reports are available on the procedures and forms used for requisitioning material in the DOD.

Research Significance. - No other research papers on

this particular aspect of the inventory control field were located. One interesting term paper by LCDR R. T. Tinney, SC, USN, was read. In this paper he recognized the increasing emphasis on mechanization for data processing and advocated the early adoption of the proposed Navy Requisition/Issue Procedures using NAVSANDA Form 1093 throughout the Navy (in 1958).[8]

Sources Searched. - The following sources were searched:

1. Books on the subjects of material management, inventory management, production and inventory control, procurement, and purchasing (in USNPGS library).

2. Selected business and management periodicals (1958-1964) (in USNPGS library). A complete and thorough search was made for pertinent articles and information on the subject in the journal entitled: Purchasing.

3. Technical research report indexes were screened for the period 1960 to date. No research reports by governmental agencies or scholastic institutions were located other than those published by the Department of Defense under the Single Manager Systems Design Project - Defense Materiel Management Program - Project 60-11.

4. Government (Department of Defense and Navy Department) technical publications on the subject of requisitioning and material issue priority system.

5. Operating procedures from selected U. S.

[8]Tinney, R. T. Requisition Processing of Supply Activities. U. S. Naval Postgraduate School, Monterey, Calif. (Unpublished Term Paper), 1958: 33-35.

Corporations that were made available by correspondence or company visits.

VI. Organization of the Report

In order to summarize common elements and requirements of requisitioning procedures and make appropriate comparisons between MILSTRIP/NAVSTRIP and requisitioning procedures used in industry and business the following approach is taken:

To review some of the development studies which led to the implementation of MILSTRIP/NAVSTRIP.

To summarize the basic requirements of MILSTRIP and the steps in NAVSTRIP for the manual preparation, submission, and processing of requisition.

To describe the basic steps in the requisitioning procedures of several U. S. corporations.

To summarize common elements in these requisitioning procedures and make comparisons of methods and requirements.

Finally, to determine if there are elements of commercial procedures which might be adopted in the modification of MILSTRIP/NAVSTRIP to alleviate some of the problems experienced by the "manual" preparation of requisitions in Navy activities, afloat and ashore.

CHAPTER II

DEVELOPMENT OF THE UNIFORM MATERIEL ISSUE PRIORITY SYSTEM AND THE MILITARY STANDARD REQUISITIONING AND ISSUE PROCEDURE

I. Defense Supply System Background

The Defense Supply System is the largest business in the world. It is, for example, 17 times greater (measured in dollars) than the huge General Motors complex. It contains over 3.5 million stock numbered items valued at over 47 billion dollars. These stocks are stored in large quantities throughout the world to support the U. S. military establishment. The great bulk of these supplies are stored within the continental limits of the United States in over 80 huge depot complexes. During fiscal year 1960, 109 million receipts and issues were processed at this level, an average of over 360,000 per day. To manage this colossus the supply systems utilize approximately 170 electronic computers and 200,000 personnel at a total annual cost of over 2.5 billion dollars.[9]

At the end of World War II, the military services were faced with the problem of disposing of huge excesses of materials that had been stockpiled during the war. With such a large disposal program in progress, it was extremely difficult for the services to coordinate their efforts. As the years

[9]Federal Systems Division, International Business Machine Corporation. General Information Manual, "MILSTRIP"- Military Standard Requisitioning and Issue Procedures - a Summary. IBM, 1961: 2.

passed, it was noted that one service was disposing of items while another was procuring these same items to meet its needs. This problem and the continual demobilization and redeployment of forces, which created gross imbalances in the structure of services' supply systems, pointed out the need for interservice supply support.

The first of a series of interservice supply support agreements was consummated in 1950. Under these agreements one service provided supply support to an organization's activities of another service. In some cases this support was limited to certain commodities of supplies while in other cases complete supply support was provided. These agreements proved to be successful from the standpoint of supply effectiveness and economy but introduced problems in documentation, since each service had its own forms and procedures for requisitioning and distributing supplies.[10]

A further refinement of the interservice supply support agreements came about in the formation of the Single Manager Supply Agencies. The first four of these Agencies (Subsistence, Clothing and Textiles, Petroleum, and Medical Supplies) were established by the Department of Defense in 1956. The purpose of the Single Manager System was to eliminate overlap and duplication in the supply of items used by more than one service. The concept made use of the facilities, resources, and skills available in each of the military services by making them available to the entire Department

[10] Ibid.

of Defense. One of the main functions of the Single Managers was to eliminate interservice competition in procurement of materials. Definite economies were anticipated from obtaining better prices for items through bulk-lot purchases. By 1961 approximately 1.2 million of the 3.5 million items in the Defense Supply System were under the management control of the Single Manager Supply Agencies.

Introduction of the Single Manager concept provided the basis for a further integration of materiel management policies and procedures, and dictated standardization in some areas, particularly those relating to the requisitioning and distributing of supplies. Ideally, a completely uniform system of requisitioning and distributing of supplies should have been developed prior to the establishment of the first Single Manager Agency. As each new Single Manager was established, it developed its own system, usually influenced by the background and training of the personnel assigned to the task. Staffing was, predominantly, from the service assigned the Single Managership. Consequently, several new systems for documentation and distribution were added to those many systems already existing.

Recognizing the need for a comprehensive approach to the integration of materiel management, the Department of Defense established, in 1960, the Defense Materiel Management Program. This program consisted of a group of interrelated projects designed to achieve further integration of materiel management within the Department of Defense. It was to supplement individual service management improvement

programs. The Single Manager Systems Design Project No. 60-11 was a major project within this program. Two of the reports from the ad hoc committees working under Project 60-11 are pertinent to my research efforts and will be discussed next. These reports are entitled: Proposed Uniform Issue Priority System; and Proposed Uniform Requisitioning and Issue Procedures.

II. Uniform Issue Priority System Study

One of the major problems in the processing of material requests under the Single Manager System was that of determining the priority or urgency of the services' requirements in relation to one another. It was considered essential in the efficient management of material supply systems to develop a standard and common basis, insofar as expressing urgency of need was concerned, for each military service submitting requirements to the Single Manager Supply Agencies. Thus, one of the early studies under the DOD Defense Materiel Management Program - Project 60-11 - was assigned to the area of material priority systems.

During the conduct of its review of issue priority systems, the committee found that each of the services had devised an issue priority system for the guidance of supply activities in furnishing supply support to its component forces. These systems varied from a thorough Navy system comprising 37 separate priority categories to a relatively simple Marine Corps system of designation of priority by "emergency" or "routine," coupled with an activity or

mission consideration.[11] It was confirmed that the separate issue priority systems developed by the services had complicated the application of appropriate supply effort on the part of Single Managers, and military services in interservice supply support. The study group found that, as a result of the nonuniform issue priority systems of the services, the Single Managers had to devise charts to attempt to equate the various degrees of priority to insure uniform application of supply effort on equivalent priorities.

Since the Single Managers had encountered the problem of equating priorities across military service lines, and an issue priority system had to be based on operational missions of activities, the Department of Defense requested the Joint Chiefs of Staff to devise a uniform priority system for the Single Managers and for use in interservice supply support. The JCS developed such a system based upon the designation of activities by mission, and determination of the urgency of the need by the user. The issue priority study committee used this JCS uniform priority system to evaluate the different services' systems.

The analysis of the services' issue priority systems revealed that in all systems consideration had been given to the mission of the unit and the urgency of the requirement. This was particularly evident in the Navy and the Air Force where the priority systems specifically defined mission

[11]Department of Defense. Defense Materiel Management Program Project 60-11. Proposed Uniform Issue Priority System. v. 2, Part1, November, 1960: 1.

categories and end-use or urgency categories. As stated earlier, the services' systems were compared with the one developed by JCS, and a review of the approximations revealed that there was little variance between those of the Navy and Air Force and the JCS system. Even though the JCS system could not be compared directly with those of the Marine Corps and the Army, a compatibility in systems was indicated.[12] As a result of these comparative studies, the committee concluded that the JCS system of Uniform Issue Priority Designators provided a nucleus for development of a uniform priority system for single manager commodities and would be workable for all military services.

A major objective in the analysis of the military services priority systems was to arrive at requisition processing standards to insure delivery of materiel to customers consistent with the mission and urgency of the need. An important consideration in developing processing and handling standards for requisitions, was the rapid advance and use of electronic data processing, electrical accounting systems, and data transmission equipment. It was agreed these systems had greatly increased the ability of supply systems to react to customer requirements. Also, an overriding consideration in establishing standards for processing was the dollar material pipeline costs, with particular emphasis on order and shipping time. It was concluded, in consideration of these factors, that customers should be able to expect delivery of

[12]Ibid: 22-23.

Single Manager material stocked at an area supply source within 30 days for a routine requirement. Overseas customers should expect delivery of Single Manager material stocked at a CONUS supply source within 60 days for a routine requirement providing that timely transportation was available. Therefore, requisition processing and material movement maximum standards were established on this basis.

The committee report concluded with this recommendation:

> That a Uniform Materiel Issue Priority System be adopted by the Department of Defense for use of military services in requisitioning Single Manager commodities, for use in interservice supply support and for use in requisitioning from the General Services Administration.[13]

The proposed Uniform Issue Priority System was to be based on the JCS system which discriminated in a uniform manner between activities on the basis of mission and need. The factor which related to the mission of the activity was called the Force/Activity Designator (FAD). There were five levels of FAD's; from Designator I - the most important military activities insofar as mission was concerned, e.g., U. S. forces in combat - to Designator V, these being those activities of least military importance (reserve training activities, for instance.) To determine in a uniform manner the need of items requested, an Urgency of Need Designator had to be assigned by the requisitioner. Items which were required to permit the activity to perform its primary mission were to be assigned Designator "A." Designators "B," "C," and "D" were to be assigned to items which were less

[13] Ibid: 26.

important to the performance of the activity's mission. "D" would be assigned to items ordered as routine stock replenishment.

With the combination of these two factors, the requisitioner would assign a Priority Designator to each item ordered. The proposed system provided for Issue Priority Designators 1 through 20 as shown below:

Force/Activity Designator	Urgency of Need Designator			
	A	B	C	D
I	1	4	11	16
II	2	5	12	17
III	3	6	13	18
IV	7	9	14	19
V	8	10	15	20

The above Priority Designators were to be assigned uniformly throughout all service activities, and the supply points and activities would issue material based on the urgency indicated by the priorities - the most important being in the order 1, 2, 3, etc. through 20.

The Proposed Uniform Issue Priority System was reviewed by the Department of Defense, JCS, and the military services. With slight modifications, the system was approved and established by the Department of Defense Instruction 4410.6 of 24 April 1961. The Uniform Materiel Issue Priority System (UMIPS) was implemented as part of the Military Standard Requisitioning and Issue Procedure (MILSTRIP) on 1 July 1962.

III. Proposed Uniform Requisitioning and Issue Procedures Study

To assist in alleviating some of the documentation problems, specifically those concerning requisitioning and issuing procedures encountered in the Single Manager System, another study was conducted by the Field Procedures Section of the Single Manager Systems Design Project under the Defense Materiel Management Program Project 60-11. As stated in the report, the objective of this study was:

> To develop to the extent practicable for all Single Manager commodities, uniform operating procedures employed between consumers requiring and distribution depots or supply points furnishing Single Manager items of supply. These procedures must be simple, flexible, and comprehensive to provide for consumer ease, flexibility for emergency situations, and comprehensive with regard to management control.[14]

In conducting this study the design criteria for requisitioning and issue procedures at the consumer level were: [15]

1. Maximum speed consistent with desired accuracy.
2. Highest obtainable effectiveness and efficiency consistent with economy.
3. Economical operations consistent with customer satisfaction and mission.
4. Simplicity consistent with item management requirements at the customer level.
5. Procedures capable of expansion and desired

[14]Department of Defense. Defense Materiel Management Program Project 60-11. Proposed Uniform Requisitioning and Issue Procedures. v. 2, Part 2, March, 1961: 1.

[15]Ibid: 2.

flexibility to accomodate mobilization needs.

6. Uniformity from the view point of customers and the supply distribution systems.

7. Compatability with basic DOD and military service supply concept.

The design criteria for procedures at the distribution or supply-point level were substantially the same as for the customer level.

Also, to further amplify the basic criteria, other necessary requirements were established to assure a uniform system for requisitioning and issuing, such as:[16]

1. Standardized requisition format through consistency of elements of data and uniformity of digital composition.

2. Furnishing of supply status information through an inclusive system encompassing all reasonable possible status consistent with economy and an effective system of customer followup.

3. Recognition and use of an "issue priority" which indicated the methods of communications and specific standards for distribution depot processing, and related transportation to the customer.

4. The maximum current and potential future use of high-speed communications facilities transmitting supply data between customers and distribution points.

[16]Ibid: 4.

5. Current and projected mechanization of customer and depot operations, including compatability with current mechanized operations and adaptability to future mechanization.

The committee realized from the beginning that any uniform procedures would have to recognize and accommodate, to the extent practicable, such widespread basic variables as:

1. Centralized vs. decentralized stock control and item accountability concepts.
2. Manual vs. EAM vs. computerized customers.
3. Manual vs. EAM vs. computerized stock points.
4. U. S. mail vs. high-speed data transmission.

These and other accommodations notwithstanding, the committee believed that a system could be devised that would be fundamentally sound, sufficiently simple, and yet would contain the essential elements of uniformity.

To achieve the goals of developing a simple, workable system for supply operations between customer and depot supply points the Field Procedures Section deemed it necessary to observe and record:

1. The basic requisition processing systems in the Department of Defense.
2. The various requisition, status, follow-up, shipping and billing documents used by the DOD supply systems.
3. The document distribution for requisitions, invoices, and bills.

This was, as anticipated, a herculean task and involved

many weeks of review and study by the committee. Initial information regarding field procedures was obtained from departmental, Single Manager, and services' ICP directives and instructions. A review of this information was supplemented by review and compilation of procedures and documentation at six depots and four consumer installations.

Recognizing the multiplicity of differing military service supply management concepts and organizations, the committee realized that a uniform procedural system would require major adjustments in paper-work routines, forms, mechanized systems, record-keeping techniques, etc., at requisitioner, depot, and ICP levels. It was believed that the system proposed by this first study was designed to meet or accommodate most of the known inter- and intraservice supply transaction requirements. Also, the proposed system could eventually replace most of the 16 different systems then in use, provided certain accounting, inventory control, and command management philosophies were made more uniform.

After considerable study and many conferences with service supply representatives, a procedure that contained the following elements was proposed:[17]

1. A standardized line requisition format for all mechanized applications and a standard manual requisition, both with standard elements of data, coded as necessary in a standard method.
2. A standard single line multipurpose format for all

[17]Ibid: 10-11.

internal supply system transactions required to redistribute material, transfer material demand, issue supply status, etc.

3. A standard single line shipping documentation system for movement of material, utilizing uniform elements of data with uniform document distribution.
4. Complete systems of pre-established standard supply codes for all coded elements of the procedures requiring central assignment and maintenance.
5. A uniform system of providing supply status and shipment status to requisitioners and managers, and a standard system of distribution of such status.
6. A standardized frequency of requisitioning on an "as required" basis.

The proposed system, while recognizing the existence of manual operations at many levels, was predicated on serving the rapidly increasing use of Electric Accounting Machine (EAM) and Automatic Data Processing (ADP) systems, and high-speed data transmission facilities at and between requisitioners and supply installations. Consequently, maximum use was made of coded data systems in order to guarantee an absolute minimum of documentation necessary to obtain the maximum supply action and supply intelligence. The basic system design anticipated eventual mechanization of supply transaction at ICP and depot or supply-point levels. It further anticipated mechanized processing at larger requisitioner activities.

Also, the system was designed to facilitate further

degrees of mechanization such as "on line" operations of two ADP systems physically apart, and to facilitate maximum standardization and compatability between machine programs and systems performing similar functions. In spite of the mechanization aspects built into the system, the committee did not believe that the proposed system was sufficiently complex or utilized coded data to a degree that activities and personnel currently dependent upon manual operations and manual input would be seriously handicapped.

In encouraging the use of the proposed procedures it was intended only that the level of requisitioner normally requisitioning on a depot or primary stock point be included. Intrabase or activity transactions were not considered intra-service transactions. Also, the committee strongly endorsed the recognition that the service requisitioner should ultimately be required to utilize only one requisition for any material (federally stock numbered items) required regardless of the designated source of supply. Another major consideration was the fact that existing and projected mechanization of depot stock-point and ICP operations, demanded a single uniform requisition processing, issuing and shipping system.

Thus, we can see that the committee was faced with building an all-inclusive system in an extremely complex atmosphere of varying requirements and concepts. They were able, however, to develop a format and procedure which was accommodating to the many divergent needs of the different Single Managers and services. Their ideas had far-reaching

ramifications in regard to the future of mechanized data processing, and as partly intended, provided the required tool (data input format) for developing uniform EAM and ADP systems within and between the military services. In turn, this would in the long run improve material management and supply support within the Department of Defense establishment.

Since the scope of the procedure was so great and involved many changes and adjustments within some of the services' supply document-processing procedures, the proposal required considerable study by many activities and commands involved in adapting to its rigorous requirements. After a detailed review of the procedures and their future benefits to over-all Defense Supply System, the concensus was that it should be adopted, not only on a Single Manager level, but also for all interservice supply transactions.

IV. The Military Standard Requisitioning and Issue Procedure

In pursuance of the extensive studies conducted by the Field Procedures Section of the Single Manager Systems Design Project 60-11 under the Defense Materiel Management Program (which have been discussed in the two previous sections), the Assistant Secretary of Defense (Installations and Logistics) issued DOD Instruction 4140.17 of 9 October 1961 to establish a uniform requisitioning and issue system (MILSTRIP). In the previous month (September, 1961) the Military Standard Requisitioning and Issue Procedure (MILSTRIP) Operating Manual was issued. This manual established standard

policies, procedures and instructions upon which all military services and General Services Administration (for military supply transactions) had to base requisitioning and issue procedures employed between customers and distribution systems furnishing items of supply.[18]

Specifically, the MILSTRIP Operating Manual established:

1. A standard single line requisition format for all mechanized activities, and a standard single line requisition for all manual use.
2. A standard single line multipurpose format for all internal supply system transactions.
3. A standard single line shipping documentation system.
4. A uniform system of requesting and providing supply status data.
5. Complete systems of pre-established standard supply codes for all coded elements for the several uses of the forms.
6. A standard issue priority system.[19]
7. A standard frequency of requisitioning system.

The procedures established by MILSTRIP were mandatory upon all military services and Single Manager Agencies,

[18]Department of Defense. Military Standard Requisitioning and Issue Procedure (MILSTRIP) Operating Manual. September, 1961: 1.

[19]Implemented as part of MILSTRIP under DOD Instruction 4410.6 of April 24, 1961, Subj: Uniform Materiel Issue Priority System.

effective 1 July 1962, with the following exceptions:[20]

1. Marine Corps intraservice transactions.
2. Internal transactions within posts, camps, stations, bases, or equivalent for local support of functions, organizations and activities satellited thereon.
3. Perishable subsistence items.
4. Fuels and lubricants.
5. Inter- and intradepartmental purchasing operations.
6. Forms and publication. (GSA is not excluded.)

MILSTRIP provides for the use of only three forms and a specified supply transaction format. These forms are shown and their multiple uses are listed in Figures 1 through 3. A sample of the format for submitting material requests, follow-ups, and cancellations via electrical message through communications circuits is shown in Figure 4. A further explanation of some of the preparation and processing requirements for these forms is given in the following chapter on NAVSTRIP.

Suffice it to say at this point that the manual form (DD Form 1348) - Figure 1 - may be prepared by typewriter or ballpoint pen. The mechanical form (DD Form 1348m) - Figure 2 - must be prepared by card punch or other mechanical means. The format of each is almost identical. Each block relates to specific card columns and these blocks are arranged to facilitate punching. The DD Form 1348-1 -

[20]Since the issuance of MILSTRIP, other exceptions have been granted. Some of these will be listed in the discussion of NAVSTRIP in the following chapter.

Figure 3 - may be manually produced and is also designed to facilitate machine preparation using the Material Release Order card as the source of data.

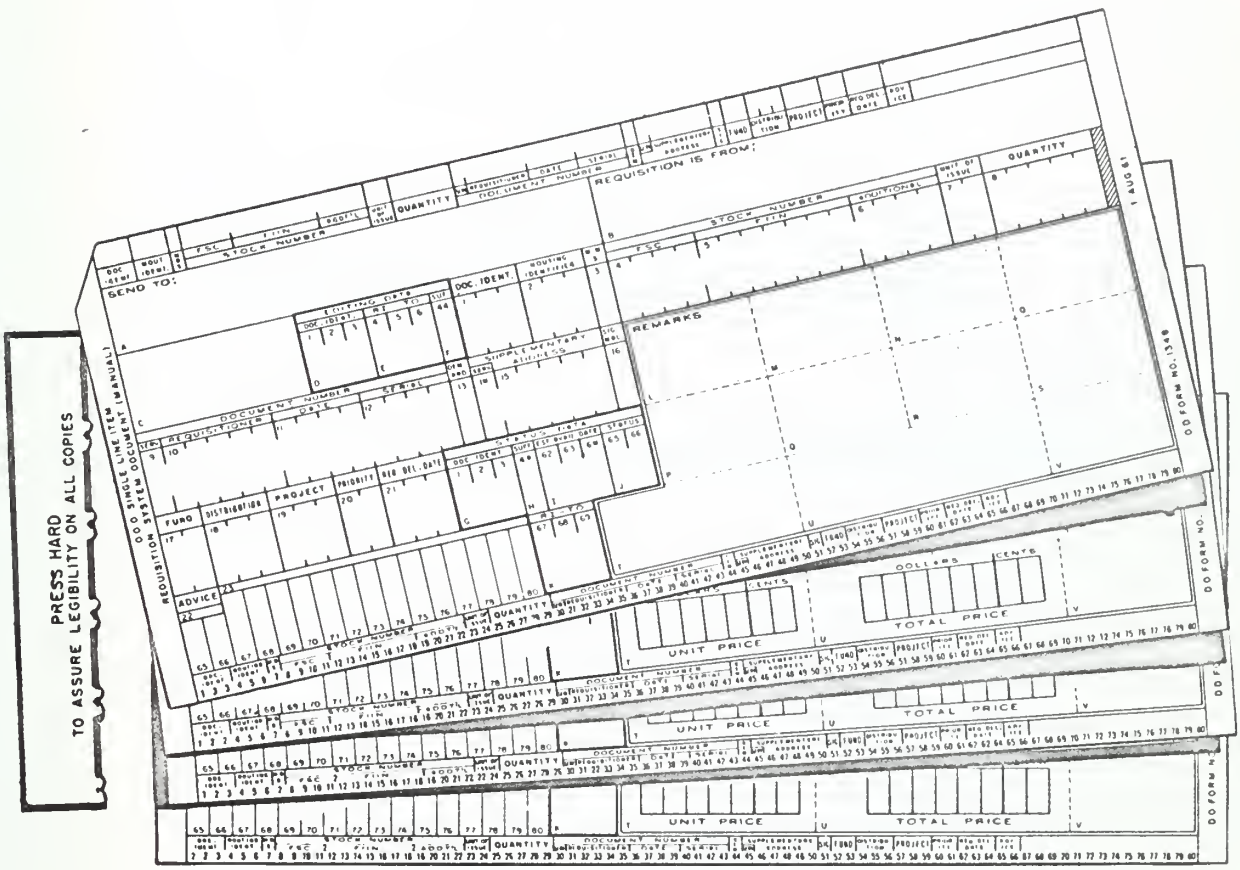
Since MILSTRIP forms are designed primarily for key punching of a variety of supply information and there is limited space in the number of columns in an EAM card, many elements of the data must be coded. An explanation of some of these codes is given in the following discussion of manually preparing a requisition under NAVSTRIP.

The previous discussion has covered only the highlights of MILSTRIP; however, one can deduce from this information that a very sophisticated requisitioning procedure and formats have been developed. Such a complicated procedure required considerable indoctrination of many people prior to its actual implementation (1 July 1962). Also, it was extremely important that an agency of the Department of Defense be assigned the responsibility of maintaining surveillance over the procedure and insuring implementation and continuous operation in a uniform manner by each of the military services. The Defense Supply Supply Agency, established by DOD Directive 5105.22 of 9 November 1961, was assigned this responsibility by DOD Instruction 4140.17 of January 23, 1962.

Figure 1

DD Form No. 1348, DOD Single Line Item Requisition System Document (Manual)

DD Form No. 1348, DOD Single Line Item Requisition System Document (Manual).

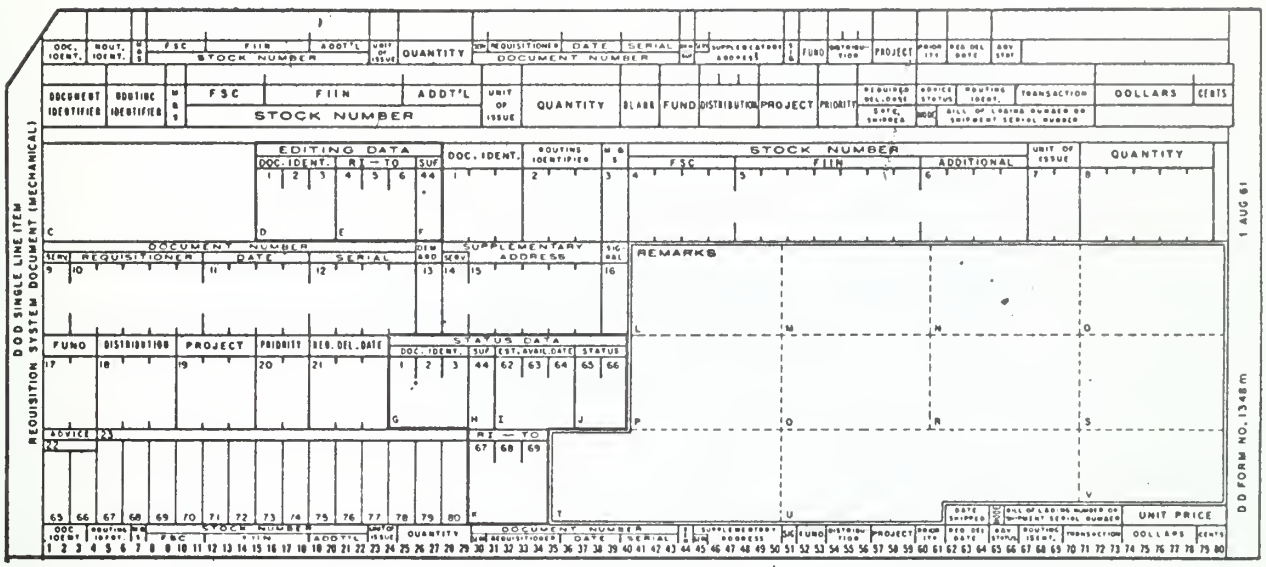


This is a four-part (six-part for Navy less Marine Corps) form consisting of two EAM "Manila" cards (arranged as the first and fourth copy), with two (four for Navy less Marine Corps) carbon copies interleaved. All copies are identical in format except that the original card does not provide for unit and total price data. This form is used as a manual requisition, manual follow-up and a manual cancellation. (Supply point responses will be DD Forms 1348 m or 1348-1, as appropriate).

Figure 2

DD Form No. 1348m, DOD Single Line Item Requisition System Document (Mechanical)

DD Form No. 1348 m, DOD Single Line Item Requisition System Document (Mechanical).



This is a standard EAM card. This form is used as a:

Requisition - Request by customer for supplies

Follow-Up - Notification by customer of total or partial cancellation of quantity previously requisitioned

Supply Status - Notice by supplier to customer of requisition status

Follow-Up Answer - Answer to a customer Follow-Up

Shipment Detail Card - Furnished to overseas activities for Army shipments only as a positive advice of shipment

Shipment Status Card - Positive advice of shipment except for Army overseas

Passing Order - An order used to pass a misrouted requisition to the proper supply point and to pass a requisition from one distribution system to another

Referral Order - Used within a distribution system to extract unfilled quantities

Supply Directive - Requisitions created by management of a distribution system directing shipment to a customer

Redistribution Order - Directive for redistribution of supplies between storage sites and between users

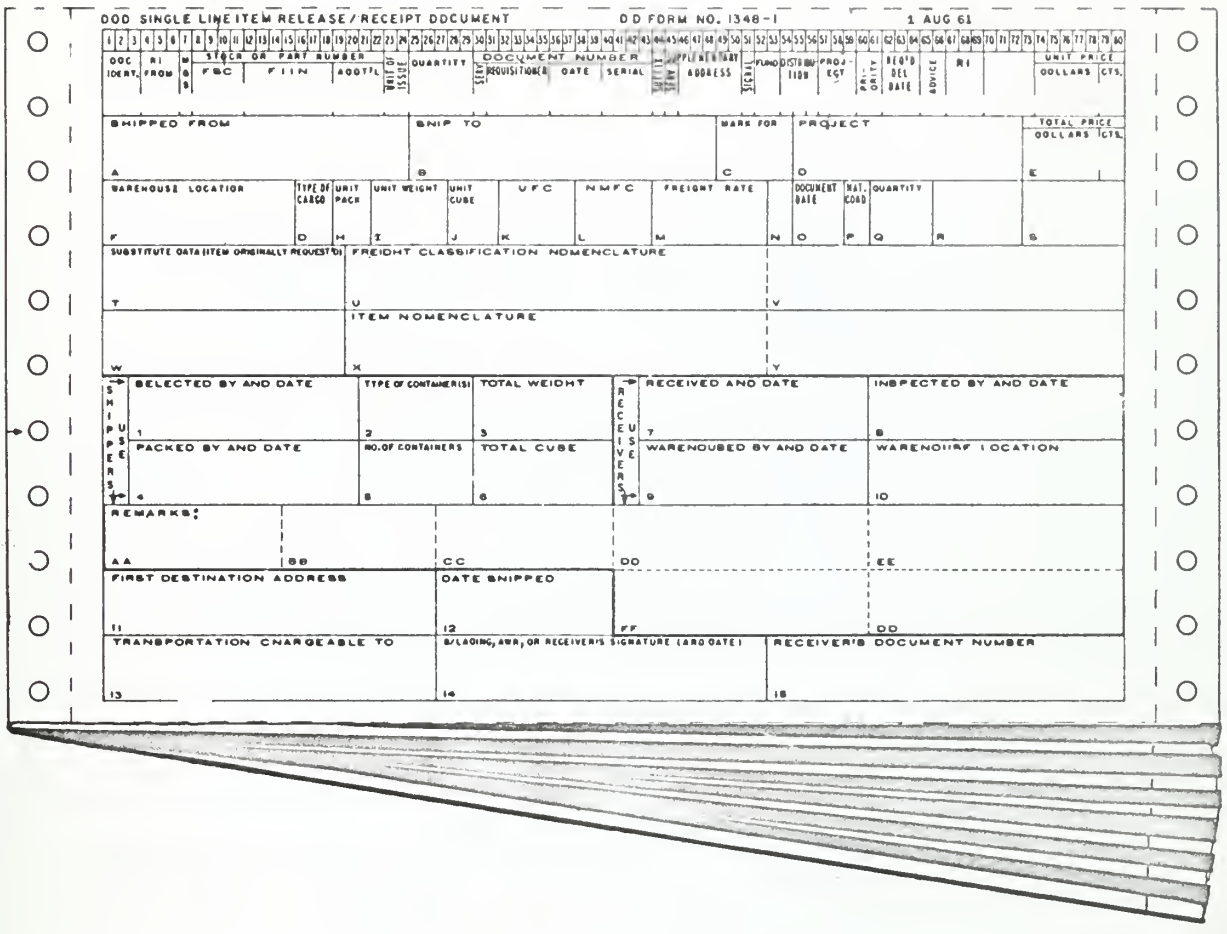
Materiel Release Order - An order from an accountable point to a non-accountable point for shipment (release) of materiel

Materiel Release Confirmation - Notification of a positive action against a Materiel Release Order

Figure 3

DD Form No. 1348-1, DOD Single Line Item Release/Receipt Document

DD Form No. 1348-1, DOD Single Line Item Release/Receipt Document.



A seven-part carbon interleaved, pinfeed, 10 characters per inch continuous form. This form is used as a:

Release document - from distribution point to consignee resulting from a requisition.
Release document - for retrograde materiel or inter-base (post, camps, stations, etc.) movements.
Receipt document - by consignee.

Figure 4

DD Form 173, Joint Message Form

DD Form 173, Joint Message Form.

This form may be used as a requisition, follow-up or cancellation and may be transmitted electrically as an administrative message when time is of the essence and other media are not considered appropriate. The data to be included on the form will be the same as would appear on the DD Form 1348 or 1348 m if such were used. Each segment of information is separated by a slash (/). Sample documents are illustrated.

Used as Requisition:

JOINT MESSAGEFORM

SECURITY CLASSIFICATION

SPACE BELOW RESERVED FOR COMMUNICATION CENTER

PRECEDENCE	TYPE MSG (Check)			ACCOUNTING SYMBOL	ORIG OR REFERS TO	CLASSIFICATION OF REFERENCE
	BOOK	MULTI	SINGLE			
ACTION						
INFO						

FROM:

SPECIAL INSTRUCTIONS

TO:

(Insert Addressee)

(Insert Message Number)

MILSTRIP REQUISITIONS:

1. AØA/FMI/2/83051234567/EA/00040/FB2300/2150/0111/R/BLNK/A/12/089/BLNK/02/154/2B
2. AØA/FMI/B/83052345678/EA/00001/FB2300/2150/0112/N/BLNK/A/19/089/BLNK/03/154/BLNK
3. AØE/FMI/B/12345123456/EA/00015/FB2300/2150/0113/R/BLNK/A/19/089/BLNK/03/154/BLNK

Remarks: Mfg Part number referenced on Page 121 of Technical Instruction No. 45.

4. AØA/FMI/B/83102345678/EA/00011/FB2300/2150/0114/BLNK/A/14/089/BLNK/02/155/BLNK

DATE	TIME
MONTH	YEAR

WRITER

SYMBOL

TYPED NAME AND TITLE (Signature, if required)

PHONE | PAGE NR. | NR. OF PAGES

SECURITY CLASSIFICATION

RELEASER

SIGNATURE

TYPED (or stamped) NAME AND TITLE

(Complete all other message elements in accordance with service instructions).

DD FORM 1 MAY 48 173 REPLACES DD FORM 173, 1 OCT 43, WHICH WILL BE USED UNTIL EXHAUSTED

CHAPTER III

THE NAVY STANDARD REQUISITIONING AND ISSUE PROCEDURE

I. Development

With the issuance of the MILSTRIP Operating Manual on 1 September 1961 and the Department of Defense Instruction 4140.17 of 9 October 1961, each Military Department was required to adjust their respective internal inventory control systems to comply with MILSTRIP in its entirety.[21] Whereas MILSTRIP prescribed basic concepts and documentation, each service was responsible for developing its own detailed implementation procedures - the Army issuedits DARRIS, the Navy its NAVSTRIP, and the Air Force its MILSTRIP.[22]

During the latter part of 1961, the Navy Bureau of Supplies and Accounts, as directed by the Secretary of the Navy, assigned responsibilities and study committees within the Navy Department. The purpose of these working committees was to develop the Navy Standard Requisitioning and Issue Procedures based on the requirements of MILSTRIP. Since the new procedures would have many ramifications which would affect Navy inventory control and fleet supply support procedures, BUSANDA obtained assistance and contributions from the Navy Bureaus, field supply activities, CNO, ONM, and fleet and force commands in developing NAVSTRIP.

[21]MILSTRIP Operating Manual, op. cit: 2.

[22]Military Industrial Supply Agency (MISA) Notes. BUSANDA Pub. 126. Issue 4, 1 March 1962: 2.

The culmination of the arduous task of developing and documenting new requisition and issue procedures, by many Navy officers, civilians and enlisted men, was reached with the initial publication of the NAVSTRIP Operating Manual, NAVSANDA Pub. 408 on 15 January 1962. This publication, issued by authority of the Secretary of the Navy, contained instructions for guidance of all persons in the Naval Establishment. The procedures became effective on 1 July 1962.

II. NAVSTRIP Purpose and Scope

The following is a brief review of the purpose and scope of the Navy Standard Requisitioning and Issue Procedure (NAVSTRIP). Since this paper is devoted to a discussion of requisitioning only, and specifically as it affects the requisitioner at a nonmechanized activity, many important and ancillary aspects of NAVSTRIP will not be included. In order to give a general overview of the material-ordering process by Navy activities the procedures and forms used by fleet activities will be summarized.

As stated above, the NAVSTRIP Operating Manual was developed with the combined efforts of many Bureau, field and fleet supply and operating personnel. It did not purport to provide detailed instructions for all possible requirements and tasks involved in the ordering and issuing of material within the Navy. Its main purpose was to provide policy, procedures, forms, and formats which were to be used by all elements of the Navy Supply System in the implementation of

NAVSTRIP.[23] This, in effect, resulted in a completely new concept of supply operations for the Navy Supply System.

The procedures, forms, formats and documentation prescribed by NAVSTRIP were mandatory upon all Navy requisitioners (including Marine Corps activities when requisitioning material from the Navy Supply System) requesting and supply support activities furnishing items of supply. The procedures were also applicable to all requisition-type documents processed or originated by Navy Inventory Control Points, Bureaus acting as control points and/or other management echelons creating requisitions and placed upon any elements of the Navy Distribution System, Army, Air Force, General Services Administration, and the Defense Supply Agency. The detailed procedures for processing NAVSTRIP documentation by shore stations were predicated on conventional electric accounting machine and manual systems. Activities employing ADP equipments were required to develop internal procedures and programs to accept and produce the forms and formats dictated by NAVSTRIP.

III. Exclusions from NAVSTRIP

The standard procedures were designed for ordering federally stock-numbered items and manufactured items (such as repair parts without a FSN assigned) readily identified by a part number and manufacturer's identification code. Such commodities as perishable subsistence items, bulk fuel,

[23]U. S. Navy Department. NAVSTRIP Operating Manual, NAVSANDA Pub. 408. Bureau of Supplies and Accounts, January 15, 1962: 1-2.

lubricants, oceanographic charts, and library books and items which required commercial purchase action and intrastation transactions were excluded from NAVSTRIP.

All of the excluded items and transactions are ordered and processed in accordance with special procedures which prescribe separate forms. These special procedures are provided in the BUSANDA manuals and instructions; other Bureau's instructions; and in individual activity supply manuals and instructions. None of these procedures will be discussed, except to note that practically all of them are designed for manual processing. For Navy intrastation supply transactions, with the exception of BUWEPS managed activities, the simple and manually prepared Request for Issue or Turn-In, DD Form 1150 is used in most cases. BUWEPS activities are directed to use NAVSTRIP requisition forms for intrastation transactions.

IV. NAVSTRIP Forms

The NAVSTRIP procedures are based on a single line item (one stock number) requisition and issue to a single customer for mechanized as well as manual operations. The forms employed in NAVSTRIP are:

1. DOD Single Line Item Requisition System Document (Manual), DD Form 1348.
2. DOD Single Line Item Requisition System Document (Mechanized), DD Form 1348m.
3. DOD Single Line Item Release/Receipt Document, DD Form 1348-1.

Descriptions and uses of the above forms are given in Figures 1 through 3.

V. Uniform Materiel Issue Priority System

An integral and vital part of MILSTRIP and NAVSTRIP is the Department of Defense Uniform Materiel Issue Priority System (UMIPS). CNO implemented UMIPS within the Navy by OPNAVINST 4614.1A. A copy of this instruction is included as Chapter 10 of the NAVSTRIP Operating Manual. The system encompasses a "Priority Range" expressed numerically from Ø1 (highest) to 2Ø (lowest). Each requisitioner must determine the priority of each order on the basis of his activity's Force/Activity Designator and the end use application of the item requested.[24]

VI. Special Requirements

Another phase of requisitioning that is of particular importance to military requisitioners is spelled out in considerable detail in NAVSTRIP. This is the method for submitting and processing emergency requirements by and for fleet and shore activities. For these requirements maximum use of high-speed communications and transceiver facilities are required. The U. S. Navy and other military departments utilize the most modern equipment for communications between CONUS and overseas activities, and the requisitioning of emergency requirements are processed with maximum speed. The prescribed naval message format for a requisition

[24] Ibid: 1-5.

from a deployed fleet unit is shown in Figure 5.

In addition to the special rules for preparing naval message requisitions, follow-ups, and cancellations, NAVSTRIP also provides special instructions for the following commodities and/or transactions as they apply to fleet units and Navy shore activities.

1. Fuels and lubricants.
2. Subsistence (Provisions).
3. Aviation Material.
4. Allowance/Load List deficiencies resulting from Allowance List revisions or Supply Overhaul.
5. Ordering from mechanized and nonmechanized ships.
6. Material turned in to store ashore.
7. Fleet Controlled Material.
8. Follow-up and cancellation of requisitions.
9. Ammunition.

VII. Preparation of the DD Form 1348 (Manual)

To provide the reader with a general idea of how requisitions are manually prepared and submitted by naval activities for routine FSN items or easily identified part numbered items, a summary of general requisitioning instructions for Navy fleet units with Supply Corps officers attached is given below.[25]

Forms Used. The DOD Single Line Item Requisition System Document (Manual), DD Form 1348, is used to requisition all material (with FSN or Mfg. part no.) needed by

[25]Ibid: 2-4 through 2-16.

Figure 5

Naval Message

NAVSTRIP Requisition Format

For Deployed Fleet Unit

NAVAL MESSAGE

RELEASED BY	DRAFTED BY	PHONE EXT NR	PAGE	PAGES
			OF	

DATE	TOR/TOD	ROUTED BY	CHECKED BY

MESSAGE NR	DATE/TIME GROUP (GCT)	PRECEDENCE	FLASH	EMERGENCY	OPERATIONAL IMMEDIATE	PRIORITY	ROUTINE	DEFERRED
		ACTION						
		INFO						

FROM: USS JOHN PAUL JONES (DD 932)

TO: NSC NORFOLK
MATCONOFF SIXTHFLT

INFO: COMCRUDESLANT
SMO LANT
CTF 60.1

UNCLAS.

MILSTRIP REQUISITION

1. A01/XXI/3/EIGHT ONE ONE ZERO FIVE SIX SEVEN SIX EIGHT NINE ZERO/EA/ ZERO ZERO ZERO ONE FIVE/N52192/2286/ØØ12/R/BLNK/A/AA/CHARLIE KZ/CHARLIE ROMEO TWO/ZERO FOUR/TWO NINE ONE/TWO BRAVO.

DISTRIBUTION:
(Page One Only)

UNCLASSIFIED

DATE/TIME GROUP (GCT)

nonmechanized fleet units. The four-part DD Form 1348 is normally used to requisition from shore activities and from mechanized ships. The six-part form is used to requisition from nonmechanized ships.

Preparation and Entries on Requisitions. The following data is entered on DD Form 1348 (Manual) by ballpoint pen or typewriter. (See Figure 6.) Pencil entries on the forms are prohibited. Definitions of key terms are included in Chapter I.

Field Legend	Data Block	Explanation and Instruction
Send To:	A	The accounting number, name, and address of the activity to which requisition is forwarded is entered in the clear, e.g., 189 NSC Norfolk, Va.
Requisition Is From:	B	The accounting number, name, and hull number of the requisitioner is entered in the clear, e.g., 52192 USS JOHN PAUL JONES (DD 932).
Document Identifier	1	The appropriate three-digit Document Identifier Code is entered, e.g., AØ1 indicates an order for a FSN item for overseas shipment.
Routing Identifier	2	The appropriate code to identify the activity to which the requisition is submitted is entered. Routing identifiers agree with the activity shown in data block A, e.g., NNZ means NSC Norfolk.

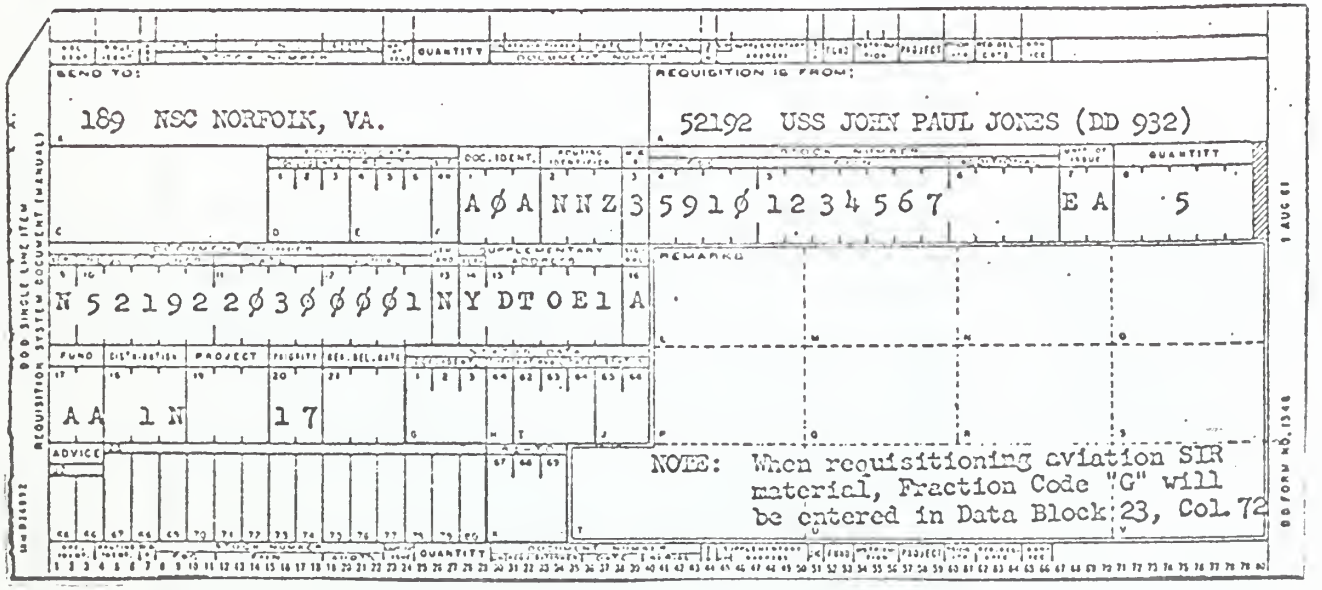
Field Legend	Data Block	Explanation and Instruction
Media and Status	3	The appropriate code to define the type of status to be furnished, to designate the activity to receive status, and the communications method of transmission of status information is entered, e.g., "2" means "send exception status to requisitioner by transceiver."
Stock Number	4-6	a. When FSN items are ordered, the four-digit FSC is entered in data block 4 and the seven-digit FIIN is entered in data block 5. If applicable, the four-digit Technical Supply Management Code (TSMC) is entered in data block 6.
Stock Number	4-6	b. When the requisition is submitted for a manufacturer's part number, the Manufacturer's Identity Code and Part Number (maximum limit of 15 digits) is entered in data blocks 4-6.
Unit of Issue	7	The two-letter Unit of Issue for the item being ordered is entered in data block 7.
Quantity	8	Quantity of item required is entered. Maximum of 99,999 quantity may be ordered on each requisition.
Document Number	9-12	The code, identifying the requisitioner's service; the requisitioner's accounting number; the Julian Date of the requisition; and the serial number of the requisition is entered as follows:
Service Code	9	"N" is entered for Navy.
Requisitioner	10	The accounting number of the ship or activity is entered.

Field Legend	Data Block	Explanation and Instruction
Date	11	The four digits representing the Julian Date on which the requisition is transmitted is entered. The first position represents the last digit of the calendar year. The last three positions indicate the numeric consecutive day of the calendar year, e.g., 2Ø52 is 21 February, 1962.
Serial Number	12	A four-digit serial number is entered for each individual requisition. Serial numbers are assigned ranging from ØØØ1 to 9999.
Demand Code	13	The appropriate single character Demand Code is entered.
Supplementary Address	14-15	When applicable, the coded address of the "ship to" and/or "bill to" point (if other than the requisitioner) or a locally assigned code to be perpetuated on subsequent supply documentation is entered.
Signal Code	16	A single position alpha code to identify the "ship to" and/or "bill to" address is entered, e.g., "A" means "ship to and bill the requisitioner."
Fund Code	17	The appropriate two-character code is entered to indicate the accounting data to be charged when material is issued.
Distribution Code	18	First position: the alpha code identifying the activity which in addition to the requisitioner or supplementary address is to receive supply status is entered, e.g., "A" means Aviation Material Office, Atlantic Fleet.

Field Legend	Data Block	Explanation and Instructions
		Second and Third Positions: the appropriate Navy Stores Account Code and cognizance symbol is entered, e.g., "1N," "2N," or the two-character cognizance symbol, e.g., "KZ."
Project Code	19	If this space is not required for location data, this data block is used to enter appropriate Project Codes, e.g., 777 means "Aircraft Out Of Commission For Lack Of Parts."
Priority	20	Issue priority designator is entered.
Required Delivery Date	21	The Priority Delivery Date of the assigned Issue Priority Designator is considered to be the Required Delivery Date; therefore, no Required Delivery Date is entered in data block 21 except under the following conditions: a. When material is required before the Priority Delivery Date to meet scheduled departure of a ship or deployment of a force assigned FAD III or higher. b. When material is not required until after the Priority Delivery Date, to meet scheduled repair, overhaul or fitting out requirements. When a Required Delivery Date is used, it is the Julian Date.
Advice Code	22	The appropriate two-character code is used when instructions such as "Do Not Substitute," "Fill or Kill" are considered essential to proper action by the supply source.

Figure 6

A Manually Prepared DOD Single Line Item Requisition System Document (Manual) DD Form 1348


SEND TO:
189 NSC NORFOLK, VA.
REQUISITION IS FROM:
52192 USS JOHN PAUL JONES (DD 932)
DOC. IDENT.
A Ø A N N Z
3 5 9 1 Ø 1 2 3 4 5 6 7
E A
5
N 5 2 1 9 2 2 Ø 3 Ø Ø Ø Ø 1 N Y DT O E 1 A
REMARKS
FUND
A A
1 N
1 7
ADVICE
NOTE: When requisitioning aviation SIR material, Fraction Code "G" will be entered in Data Block 23, Col. 72

Field Legend	Data Block	Explanation and Instructions
Remarks Field of Requisition	L-V	This field is used to convey any additional information not provided for in the requisition format. When used, Document identified AØ5 or AØE must be entered. This indicates that the requisition cannot be mechanically processed until a clerk reviews and takes the appropriate action. An example of the use of this space is to write out special shipping instructions for a deployed ship.

VIII. Action on Requisitions by Issuing Activity

Nonmechanized fleet units prepare requisitions as briefly outlined in the preceding section. Those units which have EAM equipment available key punch the appropriate "order" data in the DD Form 1348m. It is noted that the requisition document requires no approval signature prior to submission. Some Type Commanders have required that their ships' and units' requisitions be signed by the Supply Officer or his appointed representative to provide for a review of their correctness prior to submittal. Normally, the requisitions are submitted by hand or mailed to the appropriate source of supply specified in the Bureau of Supplies and Accounts Manual or the Fleet Commanders Requisitioning Guide. Copies of requisitions are distributed as shown in Figure 7.

Requisitions requiring approval of higher authority are submitted under letter of transmittal via the appropriate chain of command for approval in accordance with current instructions. The approving authority will either approve the

issue of the quantity requested (or a partial quantity), in which case it is forwarded to the supply source, or reject the requisition and return it to the requisitioner.

NAVSTRIP anticipates that Navy Stock Points, and all other Department of Defense stock points, will process the requisitions and issue material within the "time frames" established for the applicable priority designators. The "time frames" established for each issue group of priority designators not only govern the time allowed a stock point to process a requisition and issue the material, but the time frames also establish the earliest time that a requisitioner can prepare and release a follow-up.[26]

Information of action taken or being taken on certain requisitions is known as status data and categorized under NAVSTRIP as: Exception Status (for Priorities 1-20); 100% Supply Status (for Priorities 1-10 only); and Shipment Status. NAVSTRIP provides that the ashore supply points and issuing activities, in the course of processing requisitions, will provide status when requested by the requisitioner. The request for status is indicated on the requisition by the Media and Status Code.

Upon receipt of the manually prepared requisition, the mechanized supply activity - or supply department of a non-supply activity - key punches the data into an appropriate material release EAM card, for processing through Stock Control Sections. If the supply activity is not mechanized,

[26]Ibid: 2-31.

Figure 7

Table of Distribution of the DOD Single Line Item Requisition System Document (Manual), DD Form 1348 - Four and/or Six Part Set, By Forces Afloat

DISTRIBUTION OF THE DOD SINGLE LINE ITEM REQUISITION SYSTEM DOCUMENT (MANUAL) (DD FORM 1348), FOUR AND/OR SIX PART SET, BY FORCES AFLOAT

	When Used From		
Composition of DD Form 1348	Ship to shore activity (4 part set)	Ship to Mechanized Ship (4 part set)	Ship to Non-mechanized Ship (6 part set)
Top Card	To supply point	To issuing Ship (retained to support shipment or delivery	To issuing ship (retained to support shipment or delivery)
Green Copy	To accounting activity if other than the requisitioner	To accounting activity if other than the requisitioner	To accounting activity if other than the requisitioner
Red Copy	Retain in outstanding requisition/ obligation file	Retain in outstanding requisition/ obligation file	Retain in outstanding requisition/ obligation file
Bottom Copy (4 part set) or yellow copy (6 part set)	Extra Copy (material from shore stations is received on DD Form 1348-1	To issuing ship (returned to requesting ship with material)	To issuing ship to support summary
White Copy			Retain for internal use
Bottom Card			To issuing (returned to requesting ship with material)

the DD Form 1348 (Manual) is processed through the Stock Control Section for issue action. When the item requested is available for release (issue), the inventory balances are reduced, and the DOD Single Line Item Release/Receipt Document, DD Form 1348-1, is prepared and forwarded to the appropriate warehouse for shipment of material.

If the activity is mechanized, the Release/Receipt document is prepared by EAM equipment. If the activity is not mechanized, the form is normally typed for release of material. The requisitioner receives the material with a copy of the DD Form 1348-1 filled out as shown in Figure 8. From the information shown on this form the requisitioner can record receipt of material on local inventory records or simply turn over the material to the actual user of the material.

IX. Summary

This brief review of some parts of NAVSTRIP which relate to the preparation of a requisition and release of material by a supply point, is not intended to be complete or thorough. It should, however, give the reader some idea of the complexities involved in the system. With the many codes and qualifications for processing of documents, one can readily see that an extensive amount of indoctrination is absolutely essential to the desired operation of all procedures.

Figure 8

DOD Single Line Item Release/Receipt Document, DD Form 1348-1, as Received by a Requisitioner

DOD SINGLE LINE ITEM RELEASE/RECEIPT DOCUMENT

1 2 3	4 5 6	7	8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	23 24	25 26 27 28 29	30 31 32 33 34 35 36 37 38 39 40 41 42 43	44	45 46 47 48 49 50	51	52 53	54 55 56	57 58	59 60	61 62 63	64 65	66 67	68 69 70 71 72 73	74 75 76 77 78 79 80
DOC IDENT.	RI FROM	M & S	STOCK OR PART NUMBER: FSC / FIIN / ADDT'L	UNIT OF ISSUE	QUANTITY	DOCUMENT NUMBER: SERV / REQUISITIONER / DATE / SERIAL	SUFFIX SERV	SUPPLEMENTARY ADDRESS	SIGNAL	FUND	DISTRIBUTION	PROJECT	PRIORITY	REQ'D DEL DATE	ADVICE	RI		UNIT PRICE: DOLLARS / CTS.
AOA	NNZ3	5	9101234567	EA	00006	N52192	2030	0001	Y	DTOE1	A	AA	1	N	17			55 00

A	B	C	D	E
SHIPPED FROM: 189 NSC, NORFOLK, VA.	SHIP TO: 52192 USS JOHN PAUL JONES (DD 932)	MARK FOR	PROJECT	TOTAL PRICE: DOLLARS / CTS.

F	G	H	I	J	K	L	M	N	O	P	Q	R	S
WAREHOUSE LOCATION	TYPE OF CARGO	UNIT PACK	UNIT WEIGHT	UNIT CUBE	U F C	N M F C	FREIGHT RATE		DOCUMENT DATE	MAT. COND	QUANTITY		

T	U	V
SUBSTITUTE DATA (ITEM ORIGINALLY REQUESTED)	FREIGHT CLASSIFICATION NOMENCLATURE	

W	X	Y
	ITEM NOMENCLATURE	

SHIPPERS USE

1	2	3
SELECTED BY AND DATE	TYPE OF CONTAINER(S)	TOTAL WEIGHT

4	5	6
PACKED BY AND DATE	NO. OF CONTAINERS	TOTAL CUBE

RECEIVERS USE

7	8
RECEIVED BY AND DATE	INSPECTED BY AND DATE

9	10
WAREHOUSED BY AND DATE	WAREHOUSE LOCATION

AA	BB	CC	DD	EE
REMARKS:				

11	12	FF	GG
FIRST DESTINATION ADDRESS	DATE SHIPPED		

13	14	15
TRANSPORTATION CHARGEABLE TO	B/LADING, AWB, OR RECEIVER'S SIGNATURE (AND DATE)	RECEIVER'S DOCUMENT NUMBER

DD FORM 1348-1 1 AUG 61

☆ U. S. GOVERNMENT PRINTING OFFICE 1962 620023

CHAPTER IV

REVIEW OF REQUISITIONING PROCEDURES OF SELECTED U. S. CORPORATIONS

I. Method of Research

In order to obtain a general overview of commercial requisitioning procedures and sample forms 39 U. S. corporations were requested to forward information for analysis. The companies were selected from the Fortune "Top 500" of 1962 in order to get a cross section of large corporations from various industries. No scientific sampling technique was employed in the selection of companies; however, sufficient coverage was made to provide some indication of requisitioning procedures in several types of commercial operations. Samples of letters forwarded to these companies are included in Appendix I.

Early Results. Initially, the responses from the IBM Corporation and Montgomery Ward were very encouraging in conducting this research. Both of these companies were most co-operative in providing helpful information.

The IBM Corporation has made a number of studies, both industry-wide and by specific commercial business, on methods and procedures for developing and practicing more efficient control techniques for inventory and material management and product support. Copies of a number of their General Information Manuals were forwarded for use in this study. These "Manuals" were most helpful in providing a background in commercial application of mechanized inventory management techniques.

During a personal visit to the Montgomery Ward Distribution Center, Oakland, California, on 3 February 1964, several company representatives were most co-operative in providing helpful information. Since this company has employed a mechanized system - IBM 1401 computer and appropriate peripheral equipment - for order-processing during a relatively short period (about one year) and is still developing procedures, operating instructions have not been finalized and published.

Survey Responses. A listing of the other companies contacted by correspondence or personal visits and an explanation of information provided is appended as Appendix II. It is noted that of the 39 companies to which letters were forwarded, 18 companies or 46% replied. There were four negative responses. Samples of company replies are appended as Appendices III through VI.

Survey Conclusions. Even through there were several cases in which companies expressed a willingness to assist in this research effort, there were also those that explicitly or implicitly indicated refusal to - or an air of reluctance toward - providing copies of their procedures and forms. For example, Mr. A. F. Kimmel, Manager, Financial and Labor Cost and Statistics, U. S. Steel Corporation, Pittsburg, Pennsylvania, replied as follows: "Our material acquisition and disbursement procedures are designed to meet specific needs compatible with over-all corporate principles and are not available for release." Other similar responses which amplify this tone are provided in Appendices V and VI.

Some companies provided copies of sample forms but either would not or could not provide written company procedures.

Three companies expressed a willingness to provide information if a personal visit could be made to one of their branches. It is believed that other companies would have been willing to provide helpful information by a personal visit to one of their nearby plants or branches. Limited time available for this study did not permit the pursuit of this possibility. At least, the short discussions during personal visits by the writer to: Montgomery Ward Distribution Center, Oakland, California; Sears, Roebuck & Co. Retail Store, Salinas, California; and National Biscuit Co. Sales Branch, San Jose, California, were most profitable. Reviews of their procedures are included in later sections of this chapter.

Based on the experiences expressed above, the following conclusions are made from this survey:

1. Information requested was not provided by industrial or business firms either because they did not formally document their internal requisition processing procedures or because they considered them semi-proprietary.
2. Much effort, time and funds are being devoted to the reduction and simplification of paperwork, improved forms design, and inventory information flow processes in industry and business.
3. If a company is co-operative in providing information regarding such a detailed internal operating

procedure as requisitioning, the best method for obtaining it is by a personal visit to a company order processing office.

II. Review of Montgomery Ward Stock Order Procedure

The following summary of Montgomery Ward's procedures is based on information provided by personal interviews with Mr. H. G. Schragg, Unit Merchandise Manager, Hard Lines, and Mr. Jorgenson, Assistant Production Manager, as well as later correspondence with Mr. Schragg. The writer expresses sincere appreciation to both of these gentlemen for their assistance. Definitions of important terms are included in Chapter I.

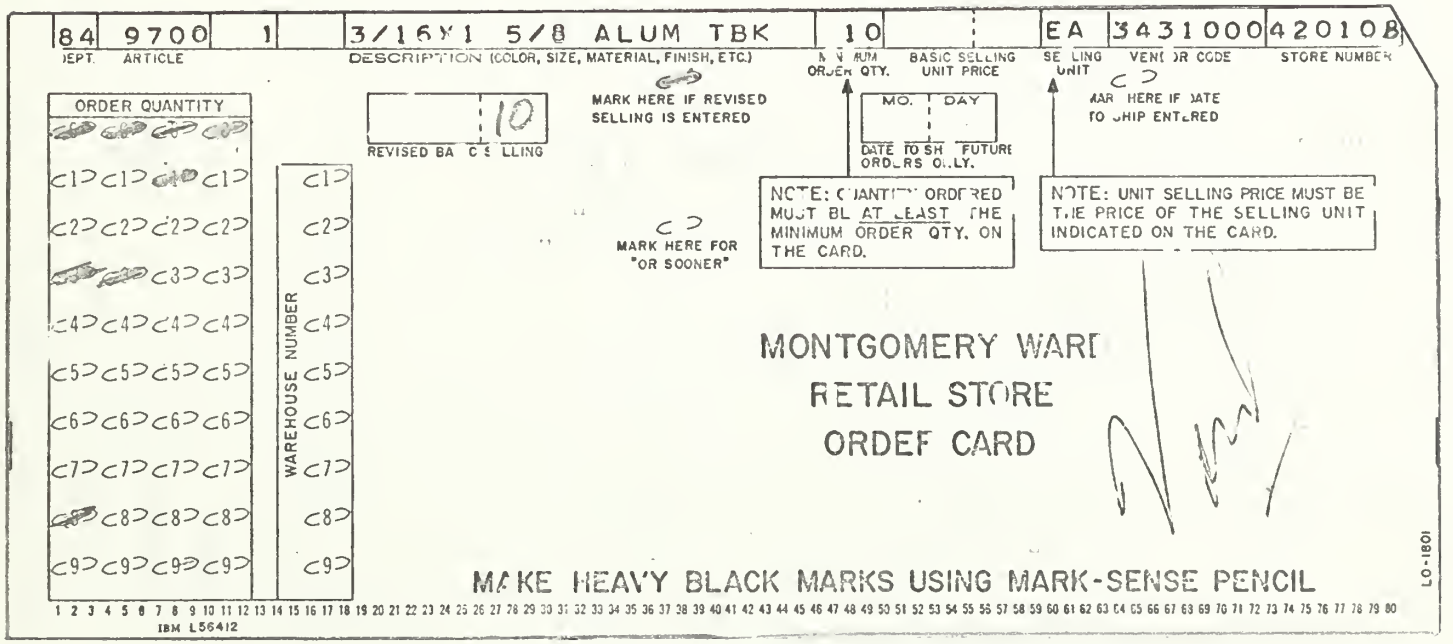
Retail Store Stock Order Processing. Merchandise is inventoried periodically and recorded on the Merchandise Record. Based on a given sales period, the needs are computed for an individual article and recorded on the Record. The merchandise record clerk reviews the Basic Lists and the Merchandise Record Book to determine order requirements. By noting the article number, and other pertinent information, the proper Retail Store Order Card (IBM prepunched card - see Figure 9) is selected from the file. Ordering is always done by individual article.

Normally, the mailorder house provides a prepunched Retail Store Card to the retail store for each article in Pool Stock. When the mechanized system was inaugurated, each store received a deck of IBM order cards for each article on the Basic List. Thereafter, the retail stores have

Figure 9

Montgomery Ward Retail Store

Order Card (Prepunched)


84 9700 1 3/16X1 5/8 ALUM TBK 10 EA 3431000 42010 8
DEPT. ARTICLE DESCRIPTION (COLOR, SIZE, MATERIAL, FINISH, ETC.) MINIMUM ORDER QTY. BASIC SELLING UNIT PRICE SELLING UNIT VENDOR CODE STORE NUMBER
ORDER QUANTITY
WAREHOUSE NUMBER
REVISED BASIC SELLING
10
MARK HERE IF REVISED SELLING IS ENTERED
MARK HERE FOR "OR SOONER"
MO. DAY
DATE TO SHIP FUTURE ORDERS ONLY.
MARK HERE IF DATE TO SHIP ENTERED
NOTE: QUANTITY ORDERED MUST BE AT LEAST THE MINIMUM ORDER QTY. ON THE CARD.
NOTE: UNIT SELLING PRICE MUST BE THE PRICE OF THE SELLING UNIT INDICATED ON THE CARD.
MONTGOMERY WARD
RETAIL STORE
ORDER CARD
MAKE HEAVY BLACK MARKS USING MARK-SENSE PENCIL
LO-1801
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80
IBM L56412

received a new order card after submittal of each order. When ordering, the following information is mark sensed on the Retail Store Order Card in the space provided: unit selling price, quantity ordered (must be in multiples of Minimum Order Quantity); and warehouse number of the source from which ordered. All other essential information for the order, such as article number and unit of issue, is prepunched in the card and interpreted.

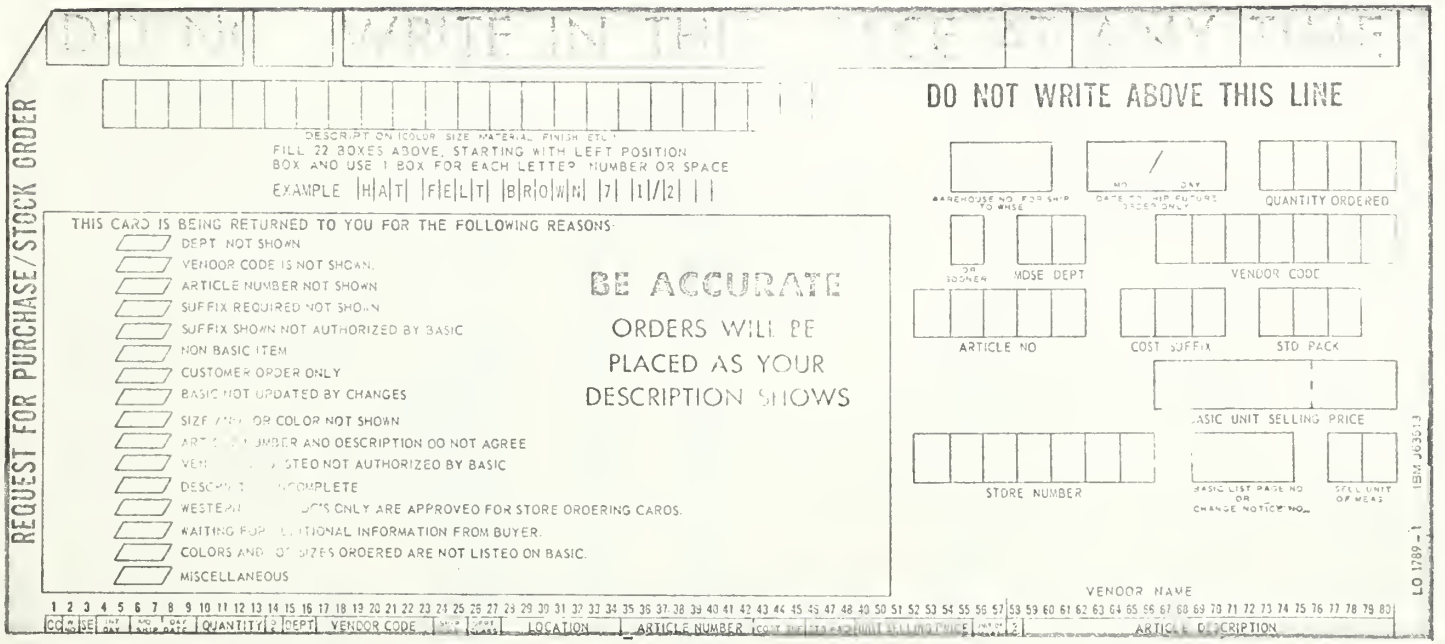
If a prepunched card is not available in the file, a yellow Request Purchase/Stock Order Card (see Figure 10) is used to order mechandise. All of the above information is indicated in the appropriate block with a marksensing pencil. Stock order cards are mailed to the mailorder house (Control Store) in regular store order card envelopes.

This system and these forms are used for all "routine" replenishment of retail store merchandise which is stocked by the Control Store. Normally, retail store orders are shipped by the mailorder house within three days after receipt of the order cards. One-day service can be obtained using "customer order" forms for individual customer orders.

Mailorder House Stock Order Processing. When the IBM cards are received in the Distribution Center (mailorder house or Control Store), a Stock Order is prepared. (See Figure 11.) The Stock Order is prepared mechanically using the IBM 1401 computer. The following information is printed on the Stock Order based on the Retail Store Order Card or Request/Purchase Stock Order Card and instructions and data stored in the computer for each article.

Figure 10

Montgomery Ward Request for Purchase/Stock Order


REQUEST FOR PURCHASE/STOCK ORDER
DO NOT WRITE ABOVE THIS LINE
DESCRIPTION (COLOR, SIZE, MATERIAL, FINISH, ETC.)
FILL 22 BOXES ABOVE, STARTING WITH LEFT POSITION
BOX AND USE 1 BOX FOR EACH LETTER, NUMBER OR SPACE
EXAMPLE |H|A|T| |F|E|L|T| |B|R|O|W|N| |7| |1|/|2| | |
THIS CARD IS BEING RETURNED TO YOU FOR THE FOLLOWING REASONS:
DEPT NOT SHOWN
VENDOR CODE IS NOT SHOWN.
ARTICLE NUMBER NOT SHOWN
SUFFIX REQUIRED NOT SHOWN
SUFFIX SHOWN NOT AUTHORIZED BY BASIC
NON BASIC ITEM
CUSTOMER ORDER ONLY
BASIC NOT UPDATED BY CHANGES
SIZE (AND) OR COLOR NOT SHOWN
ART NUMBER AND DESCRIPTION DO NOT AGREE
VEN STEO NOT AUTHORIZED BY BASIC
DESCRIPTION INCOMPLETE
WESTERN DC'S ONLY ARE APPROVED FOR STORE ORDERING CARDS.
WAITING FOR ADDITIONAL INFORMATION FROM BUYER.
COLORS AND OR SIZES ORDERED ARE NOT LISTED ON BASIC.
MISCELLANEOUS
BE ACCURATE
ORDERS WILL BE
PLACED AS YOUR
DESCRIPTION SHOWS
WAREHOUSE NO. FOR SHIP TO WHSE
MO. / DAY
DATE TO SHIP FUTURE ORDER ONLY
QUANTITY ORDERED
OR SOONER
MDSE DEPT
VENDOR CODE
ARTICLE NO
COST SUFFIX
STD PACK
BASIC UNIT SELLING PRICE
STORE NUMBER
BASIC LIST PAGE NO OR CHANGE NOTICE NO.
SELL UNIT OF MEAS
VENDOR NAME
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80
CC
WHSE
INT DAY
MO DAY SHIP DATE
QUANTITY
S
DEPT
VENDOR CODE
SUF
SUFF CLASS
LOCATION
ARTICLE NUMBER
COST SUF
STD PACK
UNIT SELLING PRICE
UNIT OF MEAS
S
ARTICLE DESCRIPTION
LO 1789-1
IBM J63013

1. Disposition Code. (See explanation below.)

2. Article Number - as many as 21 articles may be listed on each Stock Order.

3. Suffix Code - indicates whether article can be shipped in container in which stored in the warehouse - parcel post or mail; needs packing for shipment - parcel post; or is large enough to require packing and crating for freight shipment.

4. Size, color, and description of article.

5. Number of labels - needed for shipment.

6. Stockkeeping units.

7. Filling unit - standard pack unit.

8. Quantity ordered - converted to MOQ units.

9. Unit cost.

10. Unit selling price.

11. Total cost.

12. Selling units ordered - conversion of fill units or standard pack to unit that is sold over the counter.

13. Total sell - selling units times unit selling price.

14. The Stock Order will show the total cost and sell amounts for "Total Omission" and "Total" excluding omits, i.e., items not in stock or unidentifiable article numbers.

At the time the Stock Order is mechanically prepared, certain out-of-stock conditions may be known and will be noted in the "Disposition" column with such codes as follows: PO-1 Out of Stock - Reorder in ten days; PO-3 Discontinued - Do not reorder; PT-2 P. T. 2 - Hold; and SL-10 Ship Later within ten days. Any item printed on the Stock Order that will not be shipped, will be identified by a disposition code.

Figure 11

Montgomery Ward Stock Order (Mechanized)

CHARGE COPY

SCHEDULE	SEQ. NO.	STORE NAME AND LOCATION	DATE MO.	DAY	YEAR	AISLE NUMBER	STORE STOCK ORDER NO.

DISPOSITION	ARTICLE NUMBER	S U F	SIZE COLOR DESCRIPTION	NO. OF UNITS		SELLING UNIT	QUANTITY ORDERED	UNIT COST	UNIT SELL	TOTAL COST	SELLING UNITS ORDERED	TOTAL SELL

CHECKED BY	SHIPPING DESCRIPTION - CHECKER'S SIGNATURE

TOTAL QUANTITY	TOTAL LINE ITEMS

	COST	SELL
TOTAL OMISSIONS		
Total *		

* DOES NOT INCLUDE TOTAL OMISSIONS

LO 1796-1

The mechanically prepared Stock Order is a four-part form with the following copies:

Original (White)	Charge Copy
Duplicate (Yellow)	Receiving Copy
Triplicate (Pink)	Control Copy
Quadruplicate (Blue)	Acknowledgement

The retail store receives the acknowledgement copy of the Stock Order and retains it in the open order file pending receipt of material. Usually, this is when the new pre-punched Retail Store Order Card is received by the Retail Store, so a card is always available for reorder. Control of document processing is maintained within the Distribution Center by use of the control copy of the Stock Order. The receiving and charge copies of the Stock Order are forwarded to the warehouse floor where material is stored, so that shipment can be made and recorded on the charge copy. The receiving copy of the Stock Order is forwarded with the merchandise to the retail store. The charge copy is forwarded to the retail store attached to the "Charge Register." The Charge Register, which is sent to the retail store semi-weekly, contains the detail of the charges made for each Stock Order, including any adjustments made for ship-laters or ommissions.

Retail Store Stock-Order Processing Upon Receipt of Merchandise. A space has been provided on the Stock Order for "quantity received." The retail store completes the receiving operation by checking the merchandise against the receiving copy of the Stock Order and entering quantity actually received in the space provided. All omissions and

ship-laters are indicated on the receiving copy of the Stock Order to assist the receiver in checking for receipt of those articles actually shipped.

Upon completion of the receiving and marking operations, the receiving copy of the Stock Order is forwarded to the merchandise record clerk, who adjusts the stock order total at the bottom of the form, if necessary, for items actually received and any items for which a disposition code was indicated by the Distribution Center. In the case of ship-laters an acknowledgement copy of the ship-later Stock Order will follow and be processed in the regular manner. The merchandise record clerk posts all receipts to the Merchandise Record and other records as appropriate.

Manual Stock Orders. The smaller stores and those outside the Oakland Distribution Center Region, which have not been indoctrinated in the mechanized procedure and provided prepunched IBM cards, prepare a Store Stock Order (see Figure 12.) This form is prepared manually and submitted to the mailorder house for retail store stock requirements. The information provided on the manual form is basically the same as that annotated on the mechanized form. The mailorder house processes these stock requests using mechanized procedures, i.e., mechanical preparation of a Stock Order as outlined above.

Summary. The above review of the Montgomery Ward order processing, even though not complete by any respects, gives a good indication of the type of sophisticated system being developed by this company. One particularly noteworthy

Figure 12

Montgomery Ward Store Stock Order

STORE STOCK ORDER

ORIG.—Charging Copy

CARRIER

DEPT.

No. 212893

STORE STAMP

FROM

LOCATION NO.

LINE ITEM COUNT

MO. | DAY | CODE | AISLE | HOUR

ARTICLE NUMBERS	SUFFIX M.O.	SUFFIX COST	TRANSFERRED FROM STOCK ORDER NO. SIZE	COLOR	PATTERN	DESCRIPTION	WARRANTY CREDITS	QUANTITY ORDERED	UNIT	UNIT COST	BASIC LIST SELLING UNIT PRICE	UNITS REC'D	TOTAL
							SUB-TOTAL						

PRICED	TRANSFD.	FILLED	CHKD.	PACKED	SCALED	B/L TYPED	EXTND.	POSTAGE

TOTAL COST

TOTAL SELLING

ORDERED

CHARGED

SPECIAL ROUTING

SHIPPING DESCRIPTION

STORE DATES WRITTEN

TO SHIP IF FOR FUTURE DELIVERY

HOUSE OR DIST. CTR. DATES

RECEIVED

COMPLETED

SHIPPED

REGISTERED

SIGNED _____

28088-1

feature is the obvious effort by the issuing warehouse to make the reorder of an article as simple as possible.

III. Sears, Roebuck & Co. Stock Order Procedures

The information provided below is rather incomplete, due to the difficulty in obtaining copies of company procedures. This company was somewhat hesitant in providing many current details concerning their order processing. Mr. R. C. Rives, Public Relations, Sears, Roebuck & Co., Pacific Coast Administrative Offices, Los Angeles, California, stated in his letter of March 5, 1964: "As you can understand, many of our procedures have been developed at considerable cost in money and experience. Therefore, they must be treated as confidential information." A partial explanation for this attitude was given during a Management School field trip to the Sears Catalog-Order Plant in Los Angeles on April 30, 1964.

Company officials explained that the Los Angeles plant is in the process of developing new mechanized retail order processing procedures; therefore, it is difficult to provide a comprehensive set of actual operating instructions.

The current procedures are described, as best as possible, based on a Sears Training Handbook entitled: Handbook for UBC Employees Retail Basic Training. This handbook was provided by the personnel manager of the Salinas Retail Store during a visit to the store. Key terms are defined in Chapter I.

Retail Store Merchandise Ordering from Control Store or Pool Stock. The Standard Requisition, Form F14125,

(see Figure 13) is used for ordering merchandise from the Control Store or Pool Stock. Preparation and distribution of this form will be described below. Overprinted requisitions are used mainly for initial seasonal orders. These requisitions which have stock numbers and unit of issue overprinted are furnished to the retail stores with most seasonal lists and simplify the writing of initial orders. Completely preprinted requisitions are furnished on a regular basis when the volume of orders from all stores is expected to be great enough to make preprinting economical. The percentage of times this occurs is unknown.

The preprinted forms usually have UBC page numbers, stock numbers with descriptions of items, the name and address of the source (or Control Store), terms and shipping instructions already printed on them. Blank spaces are left for quantities and prices. Another type of requisition which has some information preprinted is the Special Promotion which is used for special events.

To order merchandise for resale the division manager counts merchandise, figures orders, and indicates the quantity to be ordered on the applicable UBC pages. Based on this information, the ordering section prepares requisitions. Generally, the following information is hand-written or stamped on the Standard Requisition:

1. Date of order.
2. Shipping date for initial stock - for stock reorders, no date is specified.
3. Retail Store Name - in Ship To space.

Figure 13

Sears, Roebuck & Co. Standard Requisition

(Retail Requisition) Form-14125

RETAIL REQUISITION

1

Mailing Date

Shipping Date for Initial Stock

Check One — Control Store Shipment ☐ — Source Shipment ☐

SHIP TO | STORE NO. | DEPT. DIV.

SHIP FROM

No. 191465

U. B. C. Page No.	* Cat. or Stock No. and Suffix	Color or S/C Code	DESCRIPTION - SIZE →	ORDERED Quantity	ORDERED Unit	DELIVERED Quantity	DELIVERED Unit	Retail Stock Reserve Items COST	Retail Stock Reserve Items UNIT	SELLING Price	SELLING Unit	M/C Code	Explanation Stamp

No. Pieces	Pack	Description	Weight	Classification
	Package			
	Carton			
	Bundle			
	Crate			

Req. No's.:

Ordered By:

Store Mgr.:

Made by Dept.—Control Store

*DIVISION MANAGER: Write separate requisitions for numbers with suffix "C" or "R." Do not combine "C" and "R" numbers on the same requisition, nor should they be combined with regular numbers. Enter quantity ordered in accordance with unit in which item is sold as shown on Unit Buying Control Page. Order in units of Control Store Pack.
DEPT. 150 CONTROL STORE: Cost in terms of the denomination represented by the retail selling price.

Transferred from Req. No. (Show Date of Original Req.)

RECEIVING DATA — No. | Date

Signature

PICKER | CHECKER | PACKER

For Explanation of Stamps, see No. 2 copy.

F-14125 REV. 2-7-62 ☒ PRINTED IN U.S.A. SEARS, ROEBUCK AND CO.

SEND THIS COPY TO RETAIL STORE AT THE TIME OF SHIPMENT AND SEND #2 COPY TO RETAIL STORE WITH TABULATED LISTING BY FIRST CLASS MAIL.

4. Retail Store Number.

5. Number of Division placing order.

6. Control store or pool stock name - in Ship From space.

7. Control Store Number.

8. UBC page numbers of items being ordered.

9. Stock numbers of items being ordered.

10. Color(s) of items ordered, if applicable.

11. Names of items - in description/size column.

12. Percentages of excise tax, if applicable.

13. Total quantity of each item ordered - orders to Control Store or Pool must always be in multiples of control store pack.

14. Unit in which each item is ordered, i.e., ea., pair, etc. - must agree with selling unit.

15. Selling price of each item.

16. Unit to which each selling price applies.

17. Name of person preparing order.

18. Name of store manager or other person authorized to order merchandise. This person must sign the order.

Each requisition is serially numbered and accounted for according to this number. As many as 15 items may be ordered on each requisition. However, initial orders are prepared separately from reorders, and special items are ordered on separate requisitions. Also, separate requisitions are prepared for orders from different control store departments.

The Standard Requisition is a three-part form with the following copies:

Original (Black)	Order and Shipping Copy
Duplicate (Red)	Charge Copy
Triplicate (Green)	"On Order" File Copy

The Original and duplicate of the requisition are forwarded to the Control Store or Pool when orders are submitted. The triplicate is retained in the "on-order" file of the retail store's receiving room. The original is returned to the retail store by the Control Store or Pool at the time of shipment with the merchandise ordered. The duplicate is returned to the retail store with a tabulated listing of all shipments to charge the store for merchandise shipped.

When merchandise is checked in by the retail store, the original (black) copy of the requisition is forwarded to the Unit Buying Control Ordering Section. If all merchandise ordered is received, a receiving room employee circles the delivered quantities shown on the requisition. In this case the unit buying control ordering clerk circles the quantities of merchandise ordered on the appropriate UBC pages and indicates this "posting" on the original copy of the requisition. The requisition is then forwarded to the auditing department.

If some of the items on the requisition are not shipped or partial quantities of some items are not shipped, the Control Store or Pool explains the omission by stamping a code number on the requisition next to the items omitted. These codes may indicate that the items are back-ordered for later shipment, merchandise is discontinued, quantity changed to control store pack, omitted - store error such as

wrong size or color, etc. In these cases appropriate notations are made on the UBC pages in the retail store ordering section, and action is taken according to the instructions of the codes.

Retail Store Ordering of Supplies and Equipment and Purchases Direct From Source. Retail stores may order supplies and equipment for their operation from the Control Store with the Supply and Equipment Requisition (see Figure 14.) This form is filled out and processed in much the same manner as that described above for ordering merchandise.

When the UBC pages indicate that merchandise is to be ordered from source, a purchase order is prepared listing appropriate descriptive information, quantities, etc., and mailed directly to the vendor. Purchases are made under contracts that are consummated by the Buying Department of the Parent Store or Branch.

Summary. This brief discussion of the Sear's stock ordering procedure describes the traditional and completely manual method of placing orders in many merchandising companies, et. al. Forms similar to the ones used by this company have been in use by many for a number of years. Even though they are relatively easy to fill out, partially due to the fact that most elements are more or less self-explanatory, their preparation is time-consuming, and they do not lend themselves well to expeditious processing in large volumes by the supplying warehouse. This is true in spite of the fact that issues are made on a copy of the order form.

Figure 14

Sears, Roebuck & Co. Supply and Equipment Requisition Form F-14326

2

Supply and Equipment Requisition

No. 266762

SHIP TO _____ (Name)

(USE STORE STAMP) _____ (Address)

SHIP FROM _____ (Store)

SHIP VIA _____

Store No.	Account No.*	
		DEBIT
		CREDIT

*Account Number blocks to be used by Store Controller and Control Store only.

TRANSFERRED FROM _____

DATE _____

B. C. PAGE	FORM OR STOCK NO.	ARTICLES	Now Ordering		ORDERING STORE Do Not Write in These Columns					
			Quantity	Unit		Shipped Quantity	Shipped Unit	UNIT PRICE	UNIT	Extension

Approved _____ Signed _____ Created by _____

Follow ordering instructions in Unit Supply Control Book. Do not include special items, Fixtures or Equipment, on requisitions for Storeroom Supplies. Materials ordered from different departments must be entered on separate requisitions. ***Do Not Price Your Requisitions.***

CLASSIFICATION

POSTAGE

TOTAL COST

F-14326 Rev. 10-20-61
Printed in U.S.A.

This copy for Dept. 206 Files.

As noted in several discussions with company officials, this company, as well as many others, is in the process of breaking away from tradition by changing procedures to utilize EAM equipment and computers in order processing.

IV. National Biscuit Company Stock Unit Order Procedure

The following outline of NABISCO'S requisitioning system is based on the information provided during a personal interview with Mr. W. N. Petersen, Manager, and Mr. Dennis Clardy, Operations Supervisor, at the National Biscuit Company Sales Branch in San Jose, California. The writer expresses sincere appreciation to both of these gentlemen for their assistance. It was pointed out during the interview that the National Biscuit Company does not provide written instructions for the entire requisition process to the Sales Branches. Therefore, this discussion is limited to the preparation and submission of orders by the Sales Branches to the Bakery and Shipping Branches. Definitions of key terms are provided in Chapter I.

Mechanized Stock Order Procedures. The "Kardex" Stock Control Records are reviewed once a week to determine the quantities of each product on hand. Based on a given sales period, the forecasted sales are computed for each product and recorded on the stock record cards. The order clerks review the stock control records weekly to determine which products have been marked by the manager or operations supervisor for ordering.

For each product to be ordered, a prepunched Shipping

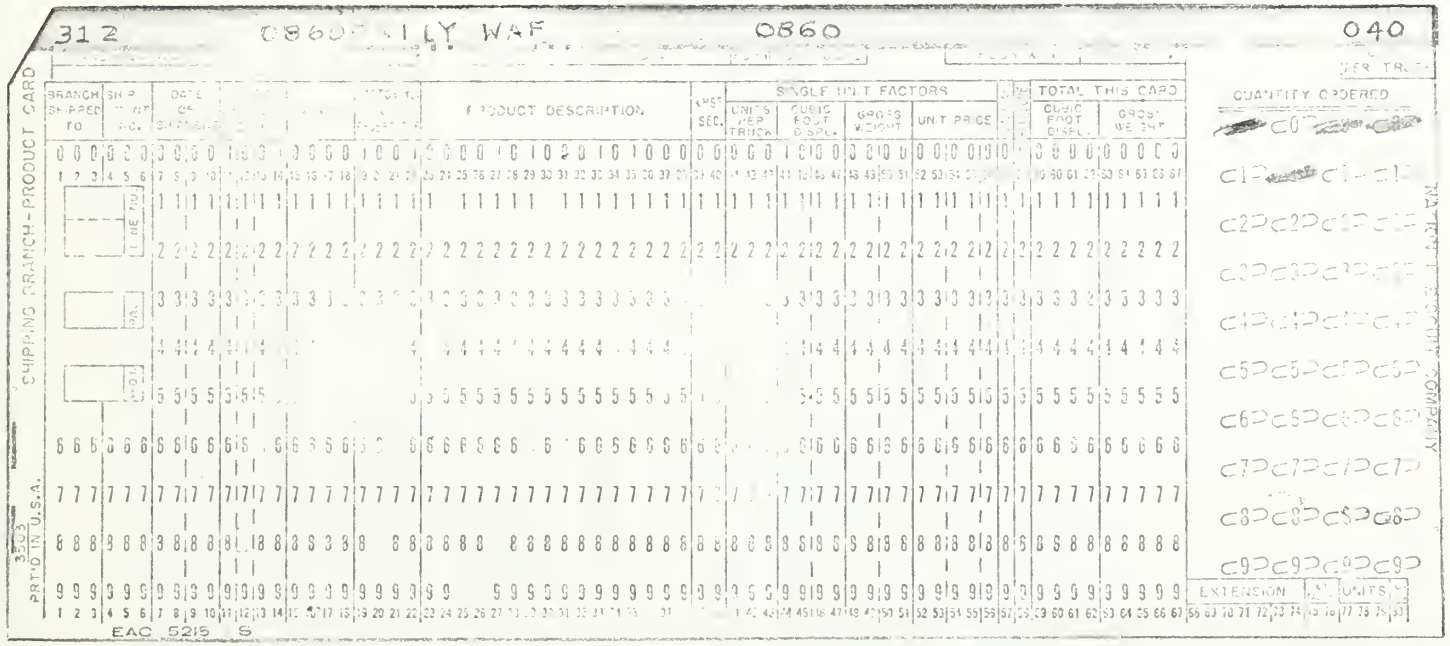
Branch Product Card, Form 3503 (see Figure 15) is selected from the file. Ordering is done by individual product. Different products are ordered from designated Bakery and Shipping Branches. In the case of the San Jose Branch, most products are ordered from the bakery and shipping branch in Portland, Oregon. Each bakery and shipping branch sends several prepunched and interpreted decks of product cards for the products they bake to each sales branch that they serve. This provides the sales branches with sufficient sets of order cards to do most of their ordering.

The following information is prepunched and interpreted on each product card: sales branch number; product number; abbreviated product name; and bundle units. To place an order for a product the order clerk simply indicates, with a mark sensing pencil, the quantity ordered in the appropriate spaces. Product order cards are assembled and packaged for each order point with a separate "header" card showing the number and location of the source and the date of the order. The cards are mailed weekly to the proper bakery and shipping branch.

Sales Branch Shipping Order Processing. After a determination is made of quantities available for shipment and the Product Cards have other pertinent data punched into them, the Bakery and Sales Branches mechanically prepare a Shipping Order, Form 3511 (see Figure 16.) Some type of IBM equipment is used to prepare this document. The Shipping Order indicates: shipping destination, i.e., sales branch code number and location; a shipment number; the product code; number of

Figure 15

National Biscuit Company Shipping Branch -
Product Card Form 3503


312
0860
0860
040
SHIPPING BRANCH-PRODUCT CARD
PRTD IN U.S.A.
BRANCH SHIPPED TO
PRODUCT DESCRIPTION
MFST SEC.
SINGLE UNIT FACTORS
UNITS PER TRUCK
CUBIC FOOT OCCPLE
GROSS WEIGHT
UNIT PRICE
TOTAL THIS CARD
CUBIC FOOT OCCPD
GROSS WEIGHT
QUANTITY ORDERED
EXTENSION
UNITS
EAC 5215 S

bundles; number of units; and bundle, gross weight, and cube of each product shipped. Also, certain out-of-stock conditions may be noted on the Shipping Order. The original of the Shipping Order is sent to the sales branch with a copy of the B/L and other shipping and charge documents.

Upon receipt of the Shipping Order and the shipment of products, the order clerks list, by hand, the product code numbers and quantities (bundles) which should be in the shipment on the Inventory and Receiving Sheets, Form 38 (see Figure 17) and sends them to the receiving personnel to check in the product shipment. Quantities of bundles actually received are indicated on the Inventory and Receiving Sheets by the receiving personnel and returned to the order clerks. The order clerks reconcile any differences of quantities listed on the Shipping Order and enter quantities actually received on the stock control record.

Summary. In spite of the lack of information concerning the processing of documents at the issuing branch, this review does provide sufficient facts to indicate that a company concerned with national distribution of products has developed a simple, efficient and expeditious method for processing their branches' orders with modern mechanized techniques. As in the case of Montgomery Ward procedures, it is interesting to note the emphasis on ease of reorder by the sales distribution outlet.

V. Continental Can Co. Requisitioning Procedures

The Continental Can Co. has issued Procedures Manual No.

Figure 16

National Biscuit Company Shipping Order

(Mechanized) Form 3511

PRINTED IN U. S. A.

FORM 3511–SHIPPING ORDER

REG. NO. _____

FROM

CHICAGO SHIPPING BRANCH

COPIES TO
WHITE: BRANCH
PINK: ASSEMBLER
YELLOW: LOADER

ASSEMBLERS NO. _____ SPOT NO. _____

LOADER NO. _____ SEAL NO. 97956-57

CAR/TRUCK NO. _____

BRANCH NO.	SHIPMENT NO.	PRODUCT CODE	QUANTITY BUNDLES	QUANTITY UNITS	CHECK ✓	TRUCK NUMBER	WHSE. NO.	BUNDLE GR. WGT.	TOTAL GROSS WEIGHT	TOTAL CU. FT.	UNIT COUNT
312	529					SAN JOSE					215
312	529	3	100	1				311	311	40	100
312	529	6	126	A 1				488	615	53	126
312	529	27	190	2				377	716	80	95
312	529	28	140	2				425	596	96	70
312	529	29	112	1	Y			525	588	35	112
312	529	615	880	10	W			1315	11570	330	88

TOTAL	#1	#2	#3	#5	OTHER	TOTAL	TOTAL

TIME OUT:

TIME IN:

TOTAL MIN:

Figure 17

National Biscuit Company Inventory and Receiving Sheet

38
7-62-240M (100)
PRTD. IN U.S.A.

INVENTORY AND RECEIVING SHEET

INVENTORY TAKEN BY

EXTENDED BY

QUANTITY	PRODUCT CODE NUMBER	TOTAL QUANTITY	CHECK	PRICE	*AMOUNT
20	547	20	X		
		5	V		
112.59					

CARRIER SP

SHIPPED BY Chicago (SHIPPING BRANCH) DATE 8-3

DATE RECD. _____ RECEIVING CLERK _____

TIME TRUCK ARRIVED _____ DEPARTED _____

CAR SEAL NOS. 1948-49 CAR NO. Supt 4856

ARRIVED: DATE _____ TIME _____

PLACED: DATE _____ TIME _____

RELEASED: DATE _____ TIME _____

TOTAL UNITS RECEIVED _____

PRODUCT CODE NO.	TOTAL WEIGHT	T/M VALUE	ACTUAL VALUE	G-GAIN OR L-LOSS
746	225½	161.50	151.09	

MEMO—DAMAGED MERCHANDISE

PRODUCT CODE NUMBER	No. Bdl. Damaged	No. Bdl. Salvaged	Net Loss	Salvage Time	COMMENTS
746			4.73		

LOT OR SHIPMENT # _____ DATE OF INVENTORY _____

SHEET NO. 30 BRANCH & No. _____

TOTAL _____

VERIFIED BY OPERATIONS SUPERVISOR

$ _____ INVENTORY VALUE (INK) INITIALS

COUNT—DOLLARS ONLY FOR INVENTORY—DOLLARS AND CENTS FOR RECEIPTS.

33 to reflect the established policy of the Purchasing Department. One important function of this manual is to prescribe procedures and forms for ordering materials at all levels of the organization - both internally and from outside sources.[27] The Purchasing Department's functions and responsibilities primarily concern the procurement of materials; however, one of their responsibilities is to provide assistance in controlling inventories. They deal with the Production Control group on matters concerning types and quantities of materials and supplies purchased for stock and direct use in the manufacturing process. The Purchasing Department reviews requisitions for quantities requested, types of materials requested, and determines the best source for purchase as well as the best delivery methods. A very close control is maintained to insure that requests for materials are approved and signed by duly authorized plant or department representatives.[28] Within the organization, requisitions may originate in any department. The forms used and a brief explanation of their processing is discussed next.

Internal Requisitioning. The Material Wanted Form 149 (see Figure 18) is used for requisitioning stores items. Depending on local practice within the plants, it may also be used to withdraw production materials from inventory. The

[27]Continental Can Co. Procedure Manual No. 33 - Purchasing. September, 1962: Section 1.01.

[28]Ibid: Section 1.02.

requisitioner manually fills out the form indicating the ordering department, charge and credit accounts, use of material, description, quantity, unit of issue (as many as nine items may be ordered on each form), the initials of the department head originating the request for material and the date. The form is submitted to the stores clerk in the storeroom for issue of the material.[29] When the material is in stock, the stores clerk breaks out the material and issues it, then gets a receipt signature on a copy of Form 149. Copies of the issue documents are forwarded to the accounting department for financial accounting purposes.

To maintain maximum and minimum balances of stores items the storekeeper initiates a Requisition, Form 151 (see Figure 19) or uses a Repeating Requisition, Form 3559 or 3560 (see Figure 20). These purchase requisitions are forwarded to the Purchasing Department for procurement action.

Purchasing Requisitioning. Requests for items which are normally not stocked are initiated on either the Requisition, Form 151 or Repeating Requisition, Form 3559 or 3560. The Requisition, Form 151 is used to request the Purchasing Department to purchase low usage or one-time requirements of materials, equipment, or supplies from outside suppliers, or to effect a between factory (B/F) purchase transaction. When it is known that the materials or supplies normally requisitioned on Form 151 will be ordered repetitively, the requisitioner marks "Repeat" after these items. The Purchasing

[29]Ibid: Section 2.02.

Figure 18

Continental Can Co. Material Wanted

Form 149

FORM 149

CCCO FORM 149 3-61-B

MATERIAL WANTED

DELIVER TO: Line 10 — FOR DEPARTMENT: (1) Assembly — CHARGE ACCT.: 7751

TO BE USED FOR: (1) Repairs — (2) CREDIT ACCT.: 1902

QUANTITY	UNIT	(1) DESCRIPTION	✓ (2)	(2) PRICE	AMOUNT (4)
1	only	204KDFAENIR BEARING	✓	1 85	1 85

PREPARED BY — SIGNATURE: D.F. (1) DEPT. 1/4/62

TOTAL AMOUNT (4): 1 85

RECEIVED ITEMS CHECKED — SIGNATURE: m.a.j. (3) DATE: 1/4/62

ENTERED ON DISTRIBUTION SHEET (5)

NOTES

(1) Entered by requisitianer.

NOTE: "Unit" and "Description" will be sufficiently detailed so as to identify material for stores clerk.

(2) Entered by stores clerk.

NOTE: "Price" will correspond to "Unit" indicated by requisitioner. "✓" will be used by stores clerk when posting to stores inventory record card (refer to B-8.07.01).

(3) Entered by person receiving material.

4 Calculated ond entered in accordance with local practice.

(5) For Accounting Department use, when preparing account distribution.

Figure 19

Continental Can Co. Requisition

Form 151

SPACES INSIDE HEAVY LINES ARE FOR PURCHASING DEPT. USE ONLY.

VENDOR	FOR DELIVERY TO (1)	REQUISITION
(10) BEARING HEADQUARTERS	CONTINENTAL CAN COMPANY INC	NO. (11) 97-113
4610 W. WASHINGTON BLVD.	240 N. ASHLAND AVE.	DATE (2) 6/10/62
CHICAGO 44, ILL.	CHICAGO, ILL.	TERMS (13) 2% 10th + 25th PROX.
SHIP VIA (12) YOUR TRUCK	(STORES)	F.O.B.
REQUIRED DELIVERY DATE (3) 7/10/62		(14) DELIVERED

QUANTITY	UNIT	DESCRIPTION	PRICE
12	ea.	49108-V. FAFNIR BEARINGS	(15) 37.40 EACH
(4)	(5)	(6)	
108	ea.	60200 VICTOR OIL SEALS	.715 EACH

CCC CODE (16) ☐ FOR RESALE (17)

CHARGE ACCOUNT NO.	REQUISITIONED BY	APPROVED
(7) 9601	(8) John Doe	(9) Richard Roe

C.C.CO. FORM 151-P

(Information outlined below for form 151 (short form) applies also to form 151-1 (long form) which provides space for additional items under "Quantity", "Unit", "Description" and "Price")

NOTES

1. Requisition form 151 will be used to request the Purchasing Department to purchase materials, equipment and supplies from outside suppliers, or to effect a between factory (B/F) purchase transaction.

2. Plants that use mechanized system for ordering material for stores or between factory (B/F) orders will use the form developed for this procedure in place of form 151.

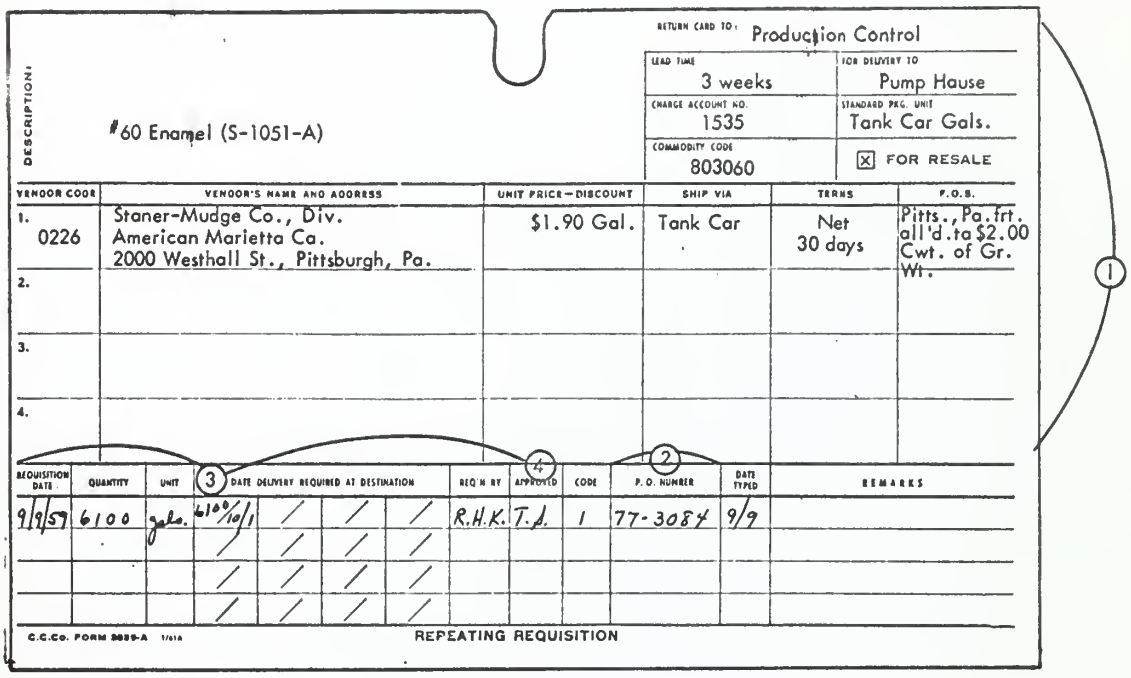
3. When it is known that the material or supplies requisitioned on form 151 will be ordered repetitively. The requisitioner will mark "Repeat" after any such items. Purchasing Department will prepare Repeat Requisition, form 3559 (or 3560) to be used for future requisitions of such material

Figure 20

Continental Can Co. Repeating Requisition

Forms 3559 and 3560

FORM 3560
(SAMPLE FORM FOR ITEM ORDERED ON REGULAR PURCHASE ORDER)



RETURN CARD TO: Production Control

DESCRIPTION: #60 Enamel (S-1051-A)

LEAD TIME	FOR DELIVERY TO
3 weeks	Pump House
CHARGE ACCOUNT NO. 1535	STANDARD PKG. UNIT Tank Car Gals.
COMMODITY CODE 803060	☒ FOR RESALE

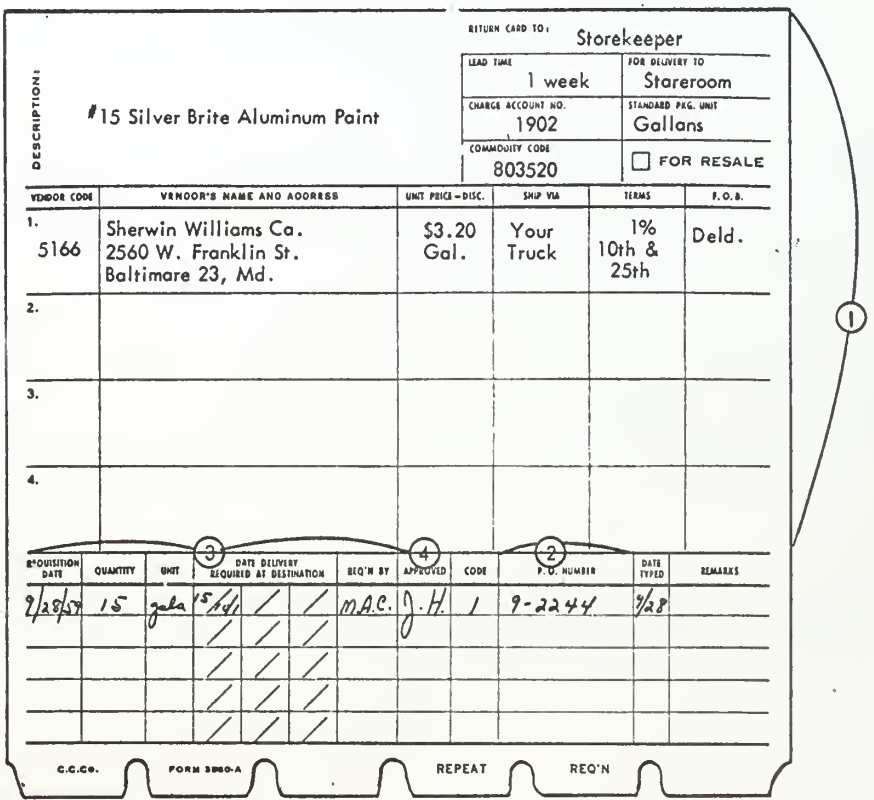
VENDOR CODE	VENDOR'S NAME AND ADDRESS	UNIT PRICE—DISCOUNT	SHIP VIA	TERMS	F.O.B.
1. 0226	Staner-Mudge Co., Div. American Marietta Co. 2000 Westhall St., Pittsburgh, Pa.	$1.90 Gal.	Tank Car	Net 30 days	Pitts., Pa. frt. all'd. to $2.00 Cwt. of Gr. Wt.
2.					
3.					
4.					

REQUISITION DATE	QUANTITY	UNIT	(3) DATE DELIVERY REQUIRED AT DESTINATION				REQ'N BY	(4) APPROVED	CODE	(2) P.O. NUMBER	DATE TYPED	REMARKS
9/9/57	6100	gals.	6100/10/1	/	/	/	R.H.K.	T.J.	1	77-3084	9/9	
			/	/	/	/						
			/	/	/	/						
			/	/	/	/						

(1)

C.C.Co. FORM 3559-A 1/61A REPEATING REQUISITION

FORM 3559
(SAMPLE FORM FOR ITEM ORDERED ON REGULAR PURCHASE ORDER)



RETURN CARD TO: Storekeeper

DESCRIPTION: #15 Silver Brite Aluminum Paint

LEAD TIME	FOR DELIVERY TO
1 week	Stareroom
CHARGE ACCOUNT NO. 1902	STANDARD PKG. UNIT Gallans
COMMODITY CODE 803520	☐ FOR RESALE

VENDOR CODE	VENDOR'S NAME AND ADDRESS	UNIT PRICE—DISC.	SHIP VIA	TERMS	F.O.B.
1. 5166	Sherwin Williams Co. 2560 W. Franklin St. Baltimare 23, Md.	$3.20 Gal.	Your Truck	1% 10th & 25th	Deld.
2.					
3.					
4.					

REQUISITION DATE	QUANTITY	UNIT	(3) DATE DELIVERY REQUIRED AT DESTINATION			REQ'N BY	(4) APPROVED	CODE	(2) P.O. NUMBER	DATE TYPED	REMARKS
9/28/57	15	gals	15/11/	/	/	M.A.C.	J.H.	1	9-2244	9/28	
			/	/	/						
			/	/	/						
			/	/	/						
			/	/	/						

(1)

C.C.Co. FORM 3560-A REPEAT REQ'N

prepares a Repeating Requisition, Form 3559 or 3560 to be used for future requisitioning of such items.

The Repeating Requisition is used for reorder of such items as production materials, stores items, lubricants, office supplies, machine repair and overhaul parts, etc., which are ordered on a repetitive basis either by regular Purchase Order or Blanket Purchase Order. Forms 3559 and 3560 are of identical design, except for size. Form 3559 is for use in "Kardex" file and Form 3560 is for use in a "Visi-Record" file. Both of these forms contain necessary information to describe the items and to effect purchase, such as procurement sources, terms, etc. The requisitioner must simply indicate the desired quantity and delivery date to initiate a new order through the Purchasing Department. This use of a "repeating" or "traveling" requisition is typical of many companies. The main purpose of this method of requisitioning materials and supplies is to save time and paper work for ordering items with relatively high usage rates.

Mechanized Requisitioning. Even though the manually prepared Material Wanted, Requisition, and Repeating Requisition Forms are evidently in common use in the Continental Can Co. plants and offices, there is an indication in Procedures Manual No. 33 that mechanized systems exist also. One of the notes regarding the preparation of the Requisition, Form 151 states:

> Plants that use mechanized systems for ordering material from stores or between factory (B/F)

orders will use the form developed for this procedure in place of Form 151.[30]

No information regarding mechanized requisitioning systems was provided by the Continental Can Co.

Summary. Based on the literature - books and periodicals - read during this research, this company appears to have a typical manual requisition system for a manufacturing company. A simple form is used for internal requisitioning, a standard purchase type requisition used, and a "repeating" requisition is utilized to the maximum extent possible for repetitive use items which must be purchased. Also, some mechanized procedures are being employed within the requisitioning process.

VI. Aerojet-General Corporation Requisitioning Procedures

This company's requisitioning procedures are briefly explained based on information provided by the Azusa, California Plant.

Stores and Purchase Requisitions. The Stores and Purchase Requisition, Form No. 00-090-001 (see Figure 21) is the official company document for requesting supplies and services. It is a seven-part interleaved carbon set which is prenumbered for control and reference purposes. This form is initiated by the requisitioning department for delivery of supplies or services to a particular contract or

[30]Ibid: Section 2.02, Exhibit "B."

inventory account.[31] Requisitioners in the using departments manually prepare the form as outlined in Figure 21. All requisitions for materials, supplies, purchased parts, services, etc., are forwarded to the Material Control Department for processing. The head of the requisitioning department or his authorized representative must sign all Stores and Purchase Requisitions.

The Material Control Department reviews all requisitions for completeness and accuracy, and records receipt of each document by control number in a log register. A search of the inventory records is made to determine if the items requested are available for issue. Quantities of items available are preposted to stock cards prior to issue of material. The requisitions are then forwarded to the Stores and Traffic Department, which in turn delivers the material to the using department and gets a signed acknowledgement of receipt on a copy of the requisition. The original requisition is returned to the Material Control Department where it is priced and forwarded to the Accounting Department for recording of the charges.[32]

Stockroom Issues. The Stockroom Requisition, Form 10-090-004 (see Figure 22) is used to withdraw overhead supplies,

[31]Aerojet-General Corporation, Azusa Plant. Materials Operating Procedures, (Forms - Processing and Control Stores and Purchase Requisitions) Section III, No. 3.1, January, 1962: 1.

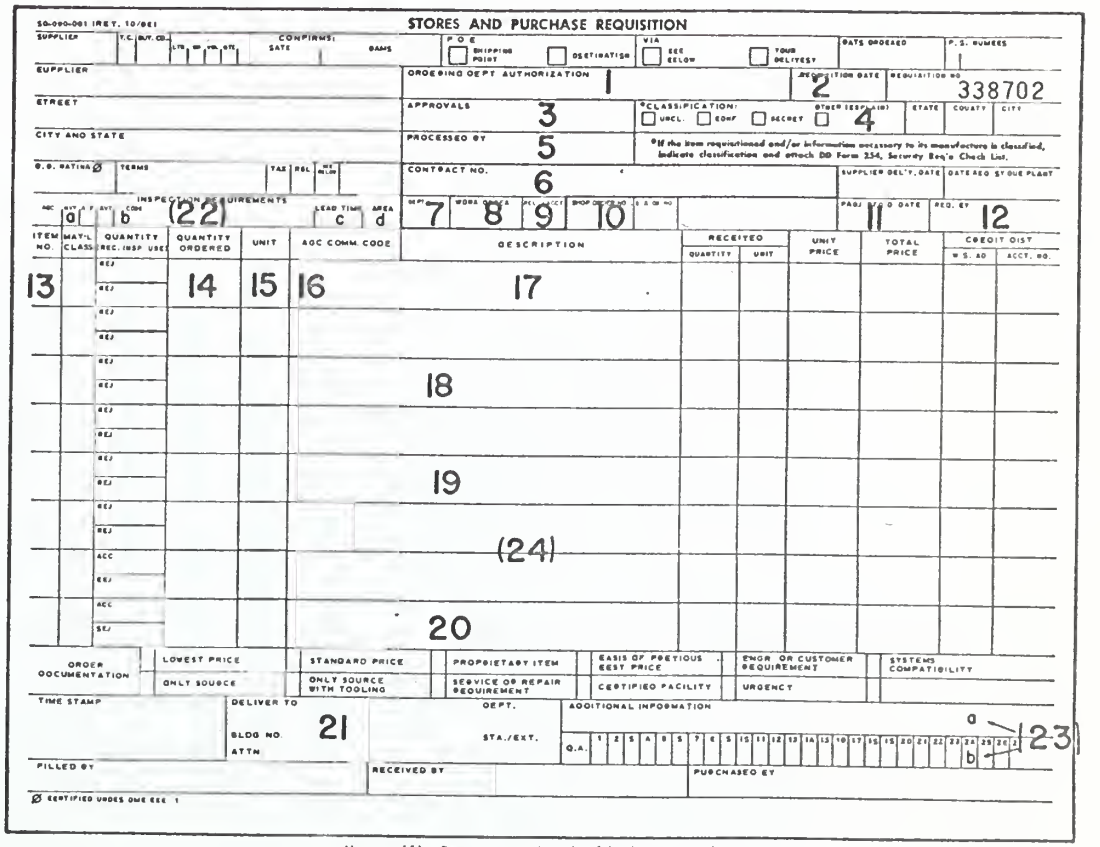
[32]Aerojet-General Corporation, Azusa Plant. Materials Standard Operating Procedures, (Stores and Purchase Requisition Issue From Inventory) Section III, No. 3.1.1.1, January, 1962: 1-2.

Figure 21

Aerojet-General Corp. Stores and Purchase Requisition Form 00-090-001

REQUESTING DEPARTMENT RESPONSIBILITY

	TITLE	ACTION
1.	ORDERING DEPT.	Dept. Head name must be entered – can be signed by authorized representative
2.	REQUISITION DATE	Current Date
3.	APPROVALS	Plant Eng., Safety Eng., Fac. Adm., etc.
4.	CLASSIFICATION	Security Classification of Item (s)
5.	PROCESSED BY	Originator of Requisition
6.	CONTRACT NUMBER	Contract Number to which the expenditure will be charged.
7.	DEPT.	Ordering Dept. Organization Number
8.	WORK ORDER	Work Order Number
9.	RELEASE/ACCT	Release/Acct. Number
10.	SHOP ORDER NO.	As Required by Ordering Dept.
11.	PROJECT REQ'D DATE	Required Date (Allow as much lead time as possible – Be Specific)
12.	REQUESTED BY	Individual Requesting Item(s)
13.	ITEM NO.	Line Item Number – one item per line
14.	QUANTITY ORDERED	Quantity Requested
15.	UNIT	Unit of Measure (Example – each, pound, etc.)
16.	AGC COMM. CODE	Use Aerojet-General numbers when known
17.	DESCRIPTION	Use Universally known Noun as key to description of Item – follow with a dash (–) then detail. When new part number, refer to similar old part number. Group like items together.
18.	TECHNICAL DATA	Required Specifications and Descriptive Data to Asst. Buyer
19.	ESTIMATED COST	Total Estimated Cost
20.	END USE	Specify End Use Category (see Appendix A) and Program Usage
21.	SPECIFIC DELIVERY POINT AND CONTACT	Bldg. No., Dept., Station and Attention Mr.



Notes: (1) Do not write to the right of the description column.

(2) When AGC is to furnish material, equipment, or tooling, note the following information in the description column if available: type, size, quantity, weight, and location.

company-owned inventory, and direct charge materials from the Sub-Stores for use on the owning contract.[33] Sub-stores are established to provide materials in the most convenient locations in relation to work areas.

Stockroom Requisitions are serially numbered with the Sub-Store number followed by a serial number assigned in numerical sequence as the requisitions are completed. The requisitioner initiates the Stockroom Requisition, prepared manually, for withdrawal of materials required. The Sub-Stores stock clerk reviews the Stockroom Requisition for completeness, issues materials, and gets receipt for materials at the time of withdrawal. After the issue, the original and one copy of the Stockroom Requisition is forwarded to the Material Control Department for processing. The Material Control Department posts stock records to reflect quantities issued, forwards copies of requisitions involving cost transfers from company-owned inventory to Data Processing for cost tabulating.[34]

Material Ordering by IBM 1001 Data Transmission System.

The IBM 1001 Data Transmission System is a combination telephone/tab card transmitter whereby data can be read automatically from cards, or keyed on a ten-digit keyboard, and transmitted over telephone wires to a receiving station where the transmitted data is automatically punched in tab

[33]Aerojet-General Corporation, Azusa Plant. Materials Standard Operating Procedures, (Forms Control - Stockroom Requisitions) Section III., No. 3.4, September, 1962: 1.

[34]Ibid: 1-2.

Figure 22

Aerojet-General Corp. Stockroom Requisition

Form 10-090-004

STOCKROOM REQUISITION

10-090-004 (REV. 12-63)

CC 1 CODE 1 ISSUE (X 80)

DELIVER TO

BLDG. _____

CC 2-6

MONTH	DAY	YR.

CC 7-12

DOC. NO.

REC PLT CC 13	CHARGE DEPT. CC 14-17	ISS PLT CC 18	CHARGE: ST. LOC CC 19-20	WORK ORDER CC 21-26	REL/ACCT. CC 27-32	AUTHORIZED SIGNATURE	CR. ST. LOC. CC 60-61

M.C. USE ONLY CC 33-40	COMM. CODE NO. CC 41-50	QTY.	PART NO. OR DESCRIPTION	BAL.	CREDIT	
					WORK-ORDER	REL/ACCT.

FILLED BY	RECEIVED BY	REQUESTED BY

MATERIAL CONTROL

cards for processing. The Data Transmission System is used to facilitate the requisitioning, purchasing and receiving of standard supply items covered by a blanket purchase agreement. An objective of the Data Transmission System/Blanket Purchase Agreement is to have the supplier maintain a local stock of items for next-day delivery.[35]

The blanket purchase agreements provide that the seller furnish:[36]

1. Prepunched/preprinted "header" and item "order cards."
2. A three-part packing slip with the delivered item(s).
3. A daily invoice of delivered items.
4. A monthly summary invoice of delivered items.
5. A monthly detailed tab listing of items delivered during the month and year to date totals.

When an item is to be reordered under the Data Transmission System, the ordering department pulls the corresponding item "order card" (see Figure 23 for sample cards) and notes the date and quantity required in the "ordered" column of the card. The "order cards" are forwarded to Purchasing Services. Upon receipt of the "order cards" Purchasing Services transmits the data to the applicable supplier per IBM 1001 Transmission Operating Instructions.[37]

[35]Aerojet-General Corporation, Azusa Plant. Materials Standard Operating Procedures, (Material Ordering by IBM 1001 Data Transmission System) Section III., No. 3.5.1, September, 1963: 1.

[36]Ibid: 2.

[37]Ibid: 2-3.

The "ordered" column of the order cards are initialed and returned to the ordering department by the end of the day. The ordering department holds the cards for which orders have been transmitted in a suspense file pending receipt of materials from the supplier.

Summary. Aerojet-General's requisitioning procedure is probably typical of the aircraft industry in general. At least, it is very similar to the procedures used by the other aircraft manufacturing companies that forwarded information. A brief résumé of the Douglas Aircraft Company is contained in their letter in Appendix IV, and sample forms from Douglas and the Boeing Company are also included in Appendix IV.

From the information provided, the Aerojet-General Corporation does not appear to employ as much mechanized processing of internal requisition documents as the Douglas Aircraft Company. However, the use of the IBM 1001 Data Transmission System for streamlining the purchase of materials and supplies and the use of Data Processing for cost tabulating indicates a definite application of mechanization. It is noted that the requisition and purchase documents in the aircraft industry must contain much identifying information for material ordered due to the nature of the equipment and repair parts involved.

Figure 23

Aerojet-General Corp. Sample Order Cards
Used to Requisition from:
Garrett Supply Co.
Frey Industrial Supply Co.
Using the IBM 1001 Data Transmission System

INSERT THIS END

ITEM NO.	DESCRIPTION							
P.O. NO	ACCT NO.	MIN	MAX	NON STOCK	PRICE	UNIT	STD. PKG.	MIN. ORDER

ORDERED		RECEIVED		ORDERED		RECEIVED	
DATE	QUANTITY	DATE	QUANTITY	DATE	QUANTITY	DATE	QUANTITY

TRANSMIT
THIS SIDE UP

GARRETT SUPPLY COMPANY

3844 SOUTH SANTA FE AV. LOS ANGELES, CALIFORNIA • PH. LUDLOW 8-7221

DATA PHONE
582-0951

GLOBE 21140

GS 1001

INSERT THIS END

ITEM NO.

P.O. NO.

ITEM DESCRIPTION

PRICE ▲

UNIT

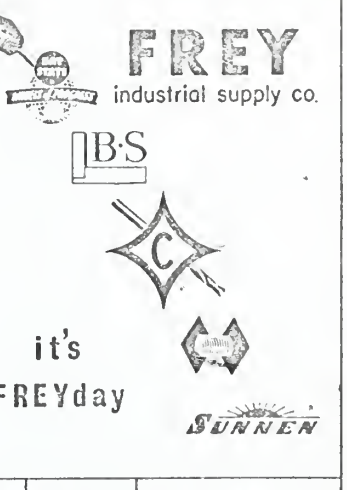
MIN

MAX.

ORDERED		RECEIVED		ORDERED		RECEIVED	
DATE	QUAN.	DATE	QUAN.	DATE	QUAN.	DATE	QUAN.

REMARKS:

FREY INDUSTRIAL SUPPLY CO. 3828 SANTA FE, L.A. 58



ORDER BY

MIN. ORDER

STD PKG.

GLOBE 2205O

VI. Summary of Commercial Requisitioning Procedures

The review of previously discussed company procedures (and others) indicates a trend toward increased mechanization of certain phases of requisition processing in business and industry. Specifically, the initial preparation of EAM size order cards and the "automatic" production of an issue document from the prepunched order card are the most frequently mechanized phases. Perhaps the two most common reasons for this are the relative ease of document preparation, and the ability to process many documents expeditiously and accurately for the issue of material. When mechanized systems are installed, efforts are usually made to extend the key punch preparation of requisitions as close to the requisitioner level as possible. This is accomplished in some companies by forwarding prepunched order cards to their retail outlets for simply indicating, by mark sensing, quantity desired to reorder stock.

Another reason for mechanization, which is probably not as widespread as the two just mentioned, is that coded and key punched requisition order cards used for recording material issues or expenditures are essential for extensive application of mathematical inventory models, such as optimal Reorder Point and Economic Order Quantity (EOQ). The same is true, of course, for the processing of material receipt and demand data.

It is generally accepted that the ultimate goal of all requisition systems is to provide an inventory control procedure dependent upon easily prepared and expeditiously

updated record of material on hand and on order. Actually, to be effective under any control procedure, the material or inventory manager must have some way of maintaining an accurate material balance record, so that he will know when to reorder. To accomplish this, many U. S. corporations have found that the use of EAM and ADP equipment and their necessary operating procedures are the best way to record, store, and report inventory data (and other types of data) for requirements analyses and management decision making.

In the process of changing from a manual system to a mechanized one, forms, formats, and procedures have been revised considerably from the traditional manual methods employed. With the limited amount of space available on the EAM cards and the procedural disadvantages of using "trailer" or additional cards, only the most essential information appears on the requisition and issue documents. In other words the companies that have made the change over to mechanized order processing procedures have been forced to make maximum use of codes and abbreviations.

Requisition forms and procedures used throughout industry and business concerns vary considerably; yet there are definite similarities in some aspects. Even though the size, shape, color of forms and the methods for preparing and processing them does differ from company to company, there is always a requirement for basic information regarding the request for and issue of materials and supplies. Also, these requirements are usually established and enforced or monitored by some central group within the organization.

The information gathered by this study indicates that in practically all companies a simple and manually prepared requisition document is used for internal material movements from the main warehouse or shop store to the user of materials and supplies. Purchase requisitions and procedures vary according to the type of industry involved and the nature of materials being purchased; however, the basic requirement for a complete description of the item(s) ordered and the delivery and payment terms is somewhat the same in all cases. Normally the authorizing and signing of requisition documents, especially purchase requisitions, is of great concern in companies that do not employ mechanized procedures for internal order processing. This is an explicit part of the controlling of who orders materials and supplies and how much. Those companies that use mechanized order-processing procedures do not require that the order cards be signed for approval. Perhaps this is because they have sufficiently tested the automated decision rules prior to implementation and have confidence in both the validity and reconstruction of the order data.

In general, the purchase requisitioning procedures and forms are given much more attention and are subject to more stringent requirements. Many efforts were noted in regard to simplifying and streamlining these procedures. There appears to be fairly wide use of the "traveling" or "repeating" requisition for recurring or repetitive purchases of the same item. This is particularly true in the manufacturing companies.

In the case of mailorder houses, and other companies that are concerned with the distribution of their products through company-owned wholesale or retail outlets, the quantities of stock orders usually correspond to units of the manufacturer's factory pack. For example, the mailorder company "Control Store" forces the retail store to reorder so-called minimum order quantities, based on factory pack of the producer, when submitting stock reorders. This is considered an economical method of purchasing, issuing, and shipping materials and supplies. Nevertheless, it is noted that in all these cases individual customer orders are filled in any quantity ordered, without regard to the quantities in a factory pack. In other words, if a customer orders one or two shirts from Montgomery Ward, they will be shipped in these quantities, irrespective of the fact that the manufacturer has packed six to the box.

Even though the complete requisitioning and issuing procedures in industry and business have not been analyzed, it does appear, from the information reviewed, that insofar as the requisitioner is concerned, the process is not complicated. There is an effort in most cases to make the matter of preparing and submitting requisitions as simple and easy as feasible, with the possible exception of requiring approval signatures in certain cases. This in itself does not in any way indicate that the entire system is not complex and that there are not many problem areas.

In any large company, inventory management is a difficult and extremely important function in the organization.

In spite of the fact that centralizing control of inventories in the Material Control, Production Control, or even the Purchasing Department improves the management of materials, all departments are involved in the successful operation of established procedures. Since all departments must order materials for their day-to-day operations, the requisitioning procedures and forms must be well-developed, easily understood, and in some respects standardized if they are to meet the needs of those who utilize them.

CHAPTER V

COMMON ELEMENTS AND SOME PROBLEM AREAS IN REQUISITIONING PROCEDURES

I. Common Elements

Based on the review made in this study, of various requisitioning procedures used by industrial and business concerns and the Department of the Navy, some inferences of common elements can be made. These elements, considered essential to the development, establishment, and operation of an efficient requisitioning procedure as part of the over-all inventory control system, can be summarized as follows:

1. Requisitioning procedures and forms are designed to facilitate the accurate recording and reporting of material issues or expenditures. This is a necessary element in maintaining an up-to-date balance of material on hand.

2. In all procedures a determination is made as to the organizational units and individuals which may initiate, approve, and submit requisitions for materials and supplies. Implicit in this decision is a determination of what types and amounts of materials may be ordered and/or approved for issue or puchase by whom. After this is determined, controls and a means for enforcing them are usually established within a central inventory control group.

3. In the case of stocked items, procedures and forms are designed to fit the type of inventory control

system employed, i.e., centralized or decentralized. Since centralized control of inventories is most often employed, procedures and forms are usually designed to permit requisitioning and issue of materials only from or through a centralized storage location - either a main warehouse or shop store arrangement in the appropriate work area.

4. Procedures and forms for local issue, i.e., intra-company or intra-activity orders of materials and supplies, stress simplicity and expeditious movement of items from the storage location to the user. In this respect procedures must be easily understood and carried out. Also, forms are small and filled out by pencil, pen, or typewriter at the user level. This could be called the hand-to-hand or face-to-face method.

5. For materials movement from a central storage location to distant operating units (or in the case of the U. S. Navy, a mobile unit such as a ship) the requisitioning procedures and forms are more complicated, demanding, and elaborate. This is, in part, due to the need to transmit the order information by mail or fast communication system. This can be called the request and shipping method.

In all cases the need exists for an easily prepared, transmitted, and processed form which contains essential information such as material identification, billing information, and appropriate delivery instructions. There is a definite trend toward utilizing mechanized procedures, forms, and formats for these requisitioning needs.

6. The requisitioning procedures and forms used for materials or supplies that are not stocked, or are temporarily out-of-stock, are the most demanding and exacting of all procedures. This is due to the fact that these items, usually, are purchased directly from a manufacturer or commercial distributor, which results in the initiation of a formal purchase document, such as a purchase order or contract. This can be called the direct buying method.

In all cases special procedures and forms are employed to request the purchasing department to obtain needed materials and supplies. The normal procedure is for many copies of a manually-prepared purchase requisition document to be submitted to the purchasing office by the requisitioner. A complete description of the item(s) required, date of delivery desired, and other information essential to effect the purchase is included in the purchase requisition. In manufacturing companies a traveling requisition, which contains the above information, may be used to request the purchase of recurring use items. Based on the information provided by the requisitioner, the purchasing office prepares the formal purchase document.

There are few fully mechanized systems employed in this method of requisitioning, and yet there are probably some real potentials for developing more efficient and time-saving methods. Several companies, such as the Colgate-Palmolive Company,[38] have devised requisition-order systems to

[38]Dowst, S. Copying System Turns Requisitions Into Orders. Purchasing, v. 55, Aug. 12, 1963: 58-59.

eliminate order-typing of purchase documents by utilizing a multi-purpose purchase requisition which serves as an order from the requisitioner, and as a purchase document to be forwarded to the vendor. A considerable amount of time and paper work is saved here by preparing only one document for both purposes, and reproducing copies for purchasing requirements on a machine such as the 3M Thermofax "Encore" machine.[39] The only example of a completely mechanized requisition-purchase system noted during this study was the Aerojet-General Corp. application of the IBM 1001 Data Transmission System for recurring purchases of items under blanket purchase orders.[40]

7. In all systems consideration is given to the design of forms to meet specific needs of the groups processing requests for materials and supplies. Simple forms and formats are utilized for the hand-to-hand method, more elaborate forms are used for the request and shipping method, and comprehensive forms which require a considerable amount of precise information (specifications) are utilized for the direct buying method. These latter forms are the most complicated for the requisitioner to prepare.

8. Most forms are designed to permit ease of preparation, i.e., logical order of entering required information, and convenience of transmittal and processing. These

[39] Ibid.

[40] See pages 96-100 for explanation of IBM Data Transmission System.

aspects are considered under both manual and mechanized requisitioning procedures.

9. Procedures are usually developed and forms designed by the central inventory control group; however, all using departments are given an opportunity to review and make suggestions concerning the methods and forms used in requisitioning. After agreements are reached concerning the proper methods and forms for use at various levels, procedures are usually issued (in writing) to insure that all personnel concerned are given sufficient guidance to follow the specified system. Once instructions have been issued, training classes are conducted by the central training or inventory control group. Also, a considerable amount of training is conducted on-the-job by responsible supervisors.

II. Some Problem Areas

While there are some problem areas peculiar to the military requisitioning procedures and their implementation, due to the vast number of items required for operations and the many requisitioners involved, there are also some problems that occur under practically all systems.

The first and perhaps most significant problem in developing and designing a requisitioning procedure is that of insuring that it meets the needs of both the inventory control group and the requisitioner. Procedures must be responsive to the needs of the over-all inventory control system, which means providing accurate and complete data to manage the materials necessary for production and other

operations, while at the same time enabling the user or requisitioner to obtain his materials with relative ease and expediency.

Once the proper system (as determined by management) has been developed and approved for installation, it must be prepared, distributed and explained to all concerned. This can present quite a training problem depending upon the sophistication of the system and the number of units and personnel involved. Indoctrination and training of personnel is particularly important, and also particularly difficult in the case of mechanized systems where coded information and rigid formats are required to insure accurate data for machine processing. One thing that management must always keep in mind is that the procedures (and forms) must be clear and logical if they are to be carried out properly and result in efficient material management which means, ultimately, the successful operation of the organization from a material point of view.

Such things as the following can be of real significance in the successful operation of a requisition procedure: (1) establishing controls to insure that materials are issued only to those who are authorized to draw them; (2) detecting and precluding quantitatively excessive or duplicate requests for items; (3) reducing the loss of documents and bottleneck operations in document processing to the maximum extent possible; and (5) developing and enforcing criteria for the precedence of processing orders upon receipt in the issuing (or sales) unit, i.e., determining which orders are processed

first for whom and on what basis. In Department of Defense activities a material issue priority system based on military mission of the requisitioner establishes the criteria for order processing. In business and industry scheduling customers' orders and intra-plant requests for materials can be a very difficult problem; it is not unusual to find that orders are processed on a first-come first-served basis.

This brief discussion on problem areas in developing and operating requisitioning procedures certainly does not cover all possible facets of the functions. It does, however, point out some of the most likely trouble spots in most systems.

CHAPTER VI

CONCLUSIONS AND RECOMMENDATIONS

I. Conclusions

An analysis of the information obtained in this study indicates that there are areas of similarity for comparing commercial and Department of Defense requisitioning procedures. Specifically, the goals and objectives for developing and installing procedures; drafting and disseminating formal instructions; and designing and utilizing forms are all valid bases for making comparisons.

Based on these premises and other considerations, the following conclusions are made:

1. All requisitioning procedures are developed, primarily, to provide an efficient, economical and expeditious means of controlling the order and issue of materials and supplies.

2. Requisitioning procedures and forms serve as a vital part of the information flow or communications system in inventory control and purchasing.

3. Much effort, time, and capital are necessary to develop, prepare, and install appropriate and efficient procedures and forms to fulfill the needs of the inventory control groups and requisitioners.

4. One major consideration in designing and developing requisitioning procedures is the maximum reduction of the highly undesirable and nonproductive administrative paperwork involved in ordering, storing, and issuing operating

materials and supplies.

5. The design, physical characteristics, and printing costs of forms utilized in requisitioning procedures are very important considerations for the successful and economical operation of requisitioning procedures. Normally, these aspects do, as they should, receive much attention in developing and revising procedures.

6. Efforts have been made to standardize requisitioning procedures and forms used within a given organization. Standardization is usually based on the needs of a particular requisitioning level, such as the procedures and forms required for local order and issue of inventory items. As forms and formats are standardized, efforts are also made to design multipurpose forms, such as combination order-purchase documents for intra-company stock ordering and direct purchasing. Standardization of forms has proved beneficial under manual processing systems and has been mandatory for the installation of mechanized procedures. Also, use of standard terminology, i.e., codes and abbreviations, and the strict adherence to the prescribed method for preparing documents by requisitioners, are essential in all mechanized order-processing systems.

7. There is a trend, in industry as well as the Department of Defense, toward increased application of mechanized processing of order and issue documents with EAM equipment. The major reasons for utilizing mechanized processing systems are to effect economy of operation, facilitate more expeditious movement of operating materials to the

end users, and to provide one of the basic inputs in a fully or semi-automated inventory control operation. Also, under mechanized order processing, issue and/or sales data can be more accurately and expeditiously manipulated for desired management reports and analyses.

8. Hopefully, with increased utilization of mechanized and high-speed data processing systems in the Department of Defense, inventory transaction data will be reported more accurately and quickly to central control groups - Defense Supply Agency and Military Department-managed Inventory Control Points - to permit better material procurement and redistribution decisions in order to maximize military readiness at given resource levels.

9. The adoption (or planned adoption) of mechanized data-processing methods for order/issue documents in industry and business is an important management decision. Normally, this decision is made only after thorough and methodical pilot studies for the development and debugging of revised procedures. In the leading U. S. corporations management is quite often receptive to new systems and techniques which can improve profitability. However, each new innovation, such as a mechanized data-processing system, must meet strict, exacting criteria through experimentation and evaluation from both an economical and efficiency point of view. In spite of the fact that military departments, unlike the business world, do not have the convenient yardstick of profitability for measuring performance of revised procedures such as MILSTRIP AND NAVSTIP, criteria for evaluation of

improved efficiency, better materiel services, and increased readiness can be developed and used prior to enforcing changes. Until such time as proper and effective measures are taken to evaluate and test new developments prior to their installation - even with such a routine procedure as ordering of materials - there will always be a potentially large risk that efficiency of operations and readiness will actually decrease rather than increase.

10. In industry and business, requisitioning procedures and forms, even those involving mechanized data processing, are designed to assist the requisitioner in manually preparing his stock orders. The major consideration in developing the current Department of Defense requisitioning procedures was to accomodate the mechanized processing of order/issue documents by the major military supply activities. One effect of this new procedure was to make it more difficult to manually prepare requisitions, due to the extreme amount of coded and abbreviated data and the inconvenient size and design of the order card for typing.

11. Frequently, business concerns include the requirement that satellites in a material distribution system order from the central warehouse (or supply source) only in units of manufacturers' factory pack. The use of so-called minimum order quantities (MOQ) based on factory pack provides a savings in purchasing, storing, and issuing

[41]See Chapter IV for a discussion of Montgomery Ward and National Biscuit Co. mechanized stock and product order systems.

manufacturers' products.

II. Recommendations

It is recommended that the Navy Bureau of Supplies and Accounts conduct feasibility studies of the following proposals in conjunction with the Defense Supply Agency.

1. Simplify procedures for the preparation of requisitions at nonmechanized Navy activities. Consideration should be given to providing aids, such as prepunched order cards, for these requisitioners to order operating supplies, as is done by merchandising firms discussed in this report. It is realized that the many variables in coded NAVSTRIP requisitions, the infrequent reorder of many low-demand items, and the need for mobile units to submit orders to various supply points present problems in developing this proposal. Nevertheless, assistance of this type is necessary to reduce the current workload of requisition preparation at nonmechanized activities.

2. Develop a simpler and more convenient size document for use as a requisition by nonmechanized Navy activities. Since the DD 1348 forms are not being punched for direct entry into mechanized or automated data-processing systems, their preparation by manual means creates an unnecessary administrative workload at the nonmechanized activities. The utilization of a larger size form which is easily typed could provide considerable savings at these activities. The test of the Consolidated NAVSTRIP Requisition Form which was authorized by BUSANDA Notice 4400 S33.3

of 24 June 1963 was an effort to accomplish such a proposal. However, it might be more efficient and practical to depart from the standard NAVSTRIP requisition coded format in designing such a form. No doubt, there are problems in developing this proposal, but they are not necessarily insurmountable.

3. Install additional EAM key punch equipment in nonmechanized Navy activities for the preparation of requisitions. Perhaps, this is the most practical and feasible alternative in reducing the administrative workload of requisition preparation at these activities. Providing these activities with basic key punch capabilities would permit them to utilize the mechanized forms and formats for which NAVSTRIP was designed. At the nonmechanized shore stations, which have a mission of providing supply support to tenant and fleet activities, the installation of EAM equipment for preparation of Release/Receipt Documents DD Form 1348-1 is also a necessity to reduce this administrative workload problem.

4. Other areas of study for possible improvement and simplification of NAVSTRIP are: inclusion of more "plain language" information in lieu of coded data on all documents to make them more meaningful to "laymen"; printing out of more information in the clear on the Release/Receipt document (in addition to the coded information); developing procedures and designing forms necessary to adopt the traveling requisition concept at selected shore stations;

utilization of optical character recognition equipment to reproduce data on manually-prepared requisition source documents on magnetic or paper tape for direct entry into the data-processing and/or transmission systems (this would be an effort to overcome the present input bottleneck created by the requirement for key punching input documents); utilization of optical "scanners" to read and translate "plain language" information on source documents into coded requisition format for entry into data-processing and/or transmission systems; and installation of additional AUTODIN or other rapid data transmission system in additional shore stations and ships to expedite transmission of requisition data from more Navy activities.

A final recommendation that is not necessarily related to NAVSTRIP, per se, is that consideration be given to the further application of minimum order quantities of manufacturers' factory pack as a unit of issue within the Defense Supply Agency and Navy Supply System.

SELECTED BIBLIOGRAPHY

I. BOOKS

1. Ammer, D. S. Materials Management. Richard D. Irwin, 1962.

2. Fisher, Jr., A. B. Warehouse Operations of Service Wholesale Druggists. Ohio State Univ., 1948.

3. Gregor, R. H., H. C. Mickey, and E. W. Jones. Procurement and Materials Management for Hospitals. Thomas Co., 1960.

4. Hass, G. H., B. March, and E. M. Crech. Purchasing Department Organization and Authority. AMA, 1960.

5. Hodges, H. G. Procurement the Modern Science of Purchasing. Harper and Bros., 1961.

6. IBM Corp. IMPACT - Inventory Management Program and Control Techniques. Data Processing Div., 1962.

7. IBM Corp. An Introduction to IBM Punched Card Data Processing. Data Processing Div.

8. IBM Corp. Aerospace Information and Control Systems Product Support. Data Processing Div.

9. IBM Corp. "MILSTRIP" - Military Standard Requisitioning and Issue Procedure. Federal Systems Div., 1961.

10. IBM Corp. Requirements Planning and Inventory Management. IBM, 1958.

11. IBM Corp. Inventory Control and Material Accounting. Data Processing Div., 1961.

12. IBM Corp. IBM Management Operating System for Manufacturing Industries. Data Processing Div., 1960.

13. IBM Corp. Manufacturing Control, Production Planning and Control. Accounting Div., 1955.

14. IBM Corp. Management Operating System for Textiles. Data Processing Div., 1961.

15. Lewis, H. T. Industrial Purchasing. Prentice-Hall, 1937.

16. Lewis, H. T. Problems in Industrial Purchasing. McGraw-Hill, 1935.

17. Lewis, H. T. and W. B. England. Procurement Principles and Cases. Richard D. Irwin, 1957.

18. Magee, J. F. Production Planning and Inventory Control. McGraw Hill Co., 1958.

19. Melnitsky, B. Management of Industrial Inventory. Conover-Mast Publications, 1951.

20. Newgarden, A. (Ed.). Managing the Materials Function - Tools, Techniques, and Company Practices. AMA, 1959.

21. Ritchie, W. E. Production and Inventory Control. Ronald Press Co., 1951.

II. GOVERNMENT PUBLICATIONS

1. U. S. Department of Defense. Single Manager Systems Design Project No. 60-11, Vol. II, Part I, Proposed Uniform Issue Priority System. DOD, 1961.

2. U. S. Department of Defense. Single Manager Systems Design Project No. 60-11, Vol. II, Part II, Proposed Uniform Requisitioning and Issue Procedures. DOD, 1961.

3. U. S. Department of Defense. Operating Manual, "MILSTRIP," Military Standard Requisitioning and Issue Procedure. DOD, Sept., 1961.

4. U. S. Navy Department, Bureau of Supplies and Accounts. Operating Manual, "NAVSTRIP," Navy Standard Requisitioning and Issue Procedure. BUSANDA, Jan., 1962.

5. U. S. Department of Defense. Performance Evaluation Report: MILSTRIP AND UMIPS. Office of Asst. Sec. of Defense (Installations and Logistics), Mar., 1963.

III. PERIODICALS

1. Ammer, D. Materials Management in the Space Age. Purchasing, v. 49, Aug. 15, 1960: 70-75.

2. Chestnut, H., T. F. Kavanagh, and J. E. Mulligan. Applying Control to Inventory Management. Control Engineering, v. 9, Sept., 1962: 96-102.

3. Dowst, S. Copying System Turns Requisitions into Orders. Purchasing, v. 55, Aug. 12, 1963: 58-59.

4. Dowst, S. Buying Without Requisitions. Purchasing, v. 55, Oct. 7, 1963: 64-66.

5. Ettinger, R. N. Installation of a Visual Inventory Control System. The Journal of Accountancy, v. 116, Aug., 1963: 87-89.

6. Hill, P. R. Requisition Serves as Order Release. Purchasing, v. 51, Aug. 28, 1961: 83.

7. Kraft, O. F. Mechanization Leads to Materials Management. Purchasing, v. 51, Aug. 28, 1961: 80-82.

8. Nichols, L. A., and R. K. Nielsen, Materials Control with No Strain. Factory, v. 121, Feb., 1963: 84-86.

9. Pennington, K. M. Mark Sense Cards for Labor and Material Distribution. The Controller, v. 27, June, 1959: 268-276.

10. Schnorenberg, W. H. Traveling Requisition: The First Step Toward Scientific Purchasing. Purchasing, v. 46, May 25, 1959: 80-81.

11. Sincere, J. F. Traveling Requisitions Bypass the Buyer. Purchasing, v. 49, July 4, 1960: 60-61.

12. Wood, F. C. How to Solve Your Storekeeping Problems. Purchasing, v. 49, Aug. 15, 1960: 84-86.

13. Van de Water, J. How K. & E. Moved Up to Materials Management. Purchasing, v. 55, Nov. 4, 1963: 70-75.

14. Van de Water, J. How ESSO Speeds Up Its Order Releases. Purchasing, v. 54, Jan 28, 1963: 46-49.

15. Van de Water, J. How Purchasing Meets the Needs of 500 Requisitioners. Purchasing, v. 49, July 18, 1960: 82-85.

16. Van de Water, J. What Materials Does for Bendix. Purchasing, v. 53, Oct. 8, 1962: 88-93.

17. _____ Guide Book for Requisitioners Eases Buying Job. Purchasing, v. 55, Sept. 9, 1963: 83-85.

18. _____ Four Approaches to Materials Management. Purchasing, v. 54, June 17, 1963: 55-59.

19. _____ Cash and Carry Order Cuts Paperwork. Purchasing, v. 49, Aug. 1, 1960: 66.

20. _____ Centralized Control Keeps Inventory Low. Purchasing, v. 45, July 7, 1958: 77-78.

21. _____ Forms Forum. Purchasing, v. 49, July 18, 1960: 88-89.

22. _____ Forms Forum. Purchasing, v. 51, Aug. 28, 1961: 88-89.

23. _____ Good Records Mean Better Inventory Control. Purchasing, v. 49, July 4, 1960: 58-59.

24. _____ How to Get More Buys Per Requisition. Purchasing, v. 46, April 27, 1959: 89.

25. _____ It's Easy to Control Stock Withdrawals. Purchasing, v. 46, April 27, 1959: 76-68.

26. _____ Managing Materials in a Small Company. Purchasing, v. 50, June 19, 1961: 86-87.

27. _____ Managing Materials in a Small Plant. Purchasing, v. 45, Aug. 4, 1958: 61-62.

28. _____ Material Management: What Is It? Purchasing, v. 49, Aug. 29, 1969: 83.

29. _____ Slash Paperwork With Modern Equipment. Purchasing, v. 49, Sept. 12, 1960: 162.

30. _____ Smaller P. O. Does More Work. Purchasing, v. 49, Aug 29, 1960: 76-77.

IV. UNPUBLISHED MATERIALS

1. Tinney, R. T. Requisition Processing of Supply Activities. (Unpublished Term Paper) USNPGS, Monterey, Calif., Dec., 1958.

V. OTHER

1. Aerojet-General Corporation, Azusa Plant. Materials Operating Manual. Section III, 1962 - 1963.

2. Ball, S. M. Supply Management Progress Report. Monthly Newsletter - Magazine of the Navy Supply Corps., v. 25, July, 1962: 20.

3. Chief of Naval Operations. Uniform Materiel Issue Priority System. OPNAV Instruction 4616.1A, 1962.

4. Continental Can Co. Procedures Manual - No. 33 - Purchasing. Sections 1 and 2, 1960-1963.

5. Department of Defense. Defense Supply Agency (DSA). DOD Directive 5105.22, 1961.

6. Department of Defense. Uniform Materiel Issue Priority System. DOD Instruction 4410.6, 1962.

7. Department of Defense. Military Standard Requisitioning and Issue Procedures (MILSTRIP). DOD Instruction 4140.17, 1962.

8. Fluckey, E. B. President, Navy Board of Inspection and Survey. Reduction of administrative effort within the Operating Forces as related to the Navy Requisitioning and Issue Procedure (NAVSTRIP). (ltr. addressed to CNO), Nov. 18, 1963.

9. Kimmel, A. F. U. S. Steel Corporation. (ltr. in response to survey questions), March 23, 1964.

10. Military Industrial Supply Agency (MISA) Notes. BUSANDA Publication 126, Issue 4, March 1, 1962.

11. Rives, R. C. Sears, Roebuck & Co. (ltr. in response to survey questions), March 5, 1964.

12. Sears, Roebuck & Co. Handbook for UBC Employees Retail Basic Training.

13. U. S. Navy Department, Bureau of Supplies and Accounts. Consolidated NAVSTRIP Requisition Form: test of. BUSANDA Notice 4400, June 24, 1963.

APPENDIX I

LETTERS SUBMITTED TO U. S. CORPORATIONS TO OBTAIN INFORMATION REGARDING COMMERCIAL REQUISITIONING PROCEDURES AND FORMS

U. S. Naval Postgraduate School
Box 2671
Monterey, Calif.

January 16, 1964

Mr. L. J. Lundberg
Industry Marketing
Western Regional Office
3424 Wilshire Blvd.
Los Angeles, Calif.

Dear Sir:

I am commencing research for a Master's thesis as part of my graduate (Navy Management) studies at UNSPGS. My advisor for this endeavor is CDR S. E. Blandin, SC, USN, whom you may remember from the Navy Executive Seminar held in San Jose on November 4, 1963. He has indicated that you may be able to help me in gathering research material for my paper.

Since I have been involved in material and inventory management during a good portion of my career as a Supply Corps officer, I have selected one aspect of this field as the subject for my paper: namely, Material Requisitioning (Ordering) and Issuing Systems and Procedures.

In this study I am not concerned with the computational methods used for ordering and stocking materials; I will devote my paper only to the procedures and forms used to order and issue material after the order quantity has been determined.

It is my desire to collect and summarize information on the material ordering and issuing systems of commercial corporations (with related forms) in an effort to compare and contrast them with MILSTRIP and NAVSTRIP.

If they are available, would you please forward one copy of the "Material Control" and "Product Support" portions of the IBM Aerospace Industry Study? CDR Blandin thinks these may be of assistance in developing my study.

Sincerely yours,

/S/ William B. York, Jr.
LCDR, SC, USN

U. S. Naval Postgraduate School
Box 2671
Monterey, Calif.

January 16, 1964

Educational Director
Montgomery Ward
29th Ave. and E. 14th St.
Oakland, Calif.

Dear Sir:

I am commencing research for a Master's thesis as part of my graduate studies in Navy Management at USNPGS.

Since I have been involved in material and inventory management during a good portion of my Navy career, I have chosen one aspect of this field as the subject of my paper: namely, Material Requisitioning (Ordering) and Issuing Systems.

It is my desire to collect and summarize information on material ordering and issuing systems and forms from your company and others, in an effort to compare commercial practices with those used in the U. S. Navy Supply System. My intention is to review commercial procedures and forms for possible applications in military logistics systems.

In this study I am not concerned with methods used for computing requirements for ordering and stocking material. My paper will be devoted simply to procedures and forms used to order and ship an item from warehouse to customer, or to a retail store after the order quantity has been determined.

Would you please forward copies of your training or organizational instructions on this subject with sample order, issue (invoice), and stock-control record forms for my review? Any information that you can provide will be greatly appreciated.

It is possible that I could arrange a trip to Oakland if, in your estimation, such a visit would be valuable in gathering information.

Sincerely yours,

/S/ William B. York, Jr.
LCDR, SC, USN

U. S. Naval Postgraduate School
Post Office Box 2671 (SMC)
Monterey, California

January 28, 1964

Dear Sir:

I am collecting information for a Master's thesis as part of my graduate studies in Navy Management at the U. S. Naval Postgraduate School, Monterey, California.

Since I have been involved in material and inventory management during a good portion of my Navy career, I have chosen one aspect of this field as the subject of my paper: namely, Material Requisitioning (Ordering) and Issuing Systems.

It is my desire to gather and summarize information on material ordering and issuing systems and forms from your company and others, in an effort to compare commercial practices with those used in the U. S. Navy Supply System. My intention is to review commercial procedures and forms for possible applications in military logistics systems.

In this study I am not concerned with methods used for computing requirements for ordering and stocking material. My paper will be devoted simply to procedures and forms used to order material for stock (in warehouses or shop stores) or use in the manufacturing process. I am also concerned with procedures and forms used in issuing material from the warehouse, shop store, or storeroom to the production line or office for use.

Would you please forward copies of your training or organizational instructions on this subject with sample order, issue, (or job order), and stock-control record forms for my review. I will be glad to return any and all of this material if desired. It is not intended that my paper will be published, and it will be used only within the Navy.

Any information that you can provide in the near future will be greatly appreciated.

Sincerely yours,

/S/ William B. York Jr.
LCDR, SC, USN

APPENDIX II

SUMMARY OF CORRESPONDENCE FROM U. S. CORPORATIONS IN RESPONSE TO REQUEST FOR INFORMATION REGARDING REQUISITIONING PROCEDURES AND FORMS

SUMMARY OF CORRESPONDENCE FROM U. S. CORPORATIONS

COMPANY NAME AND ADDRESS	REPLY	INFORMATION PROVIDED
Internation Business Machine Corp., Western Regional Office, Los Angeles - IBM Plant, San Jose, Calif.	Yes	General information books and special inventory management and product support studies of various industries.
Sears, Roebuck & Co. Los Angeles, Calif. Chicago, Ill.	Yes	No information provided by mail. Suggested visit to Retail Store Manager in Salinas, Calif.
Montgomery Ward Oakland, Calif.	Yes	No information provided by mail. Suggested visit to mailorder house in Oakland.
General Motors Detroit, Mich.	Yes	None. Suggested writing to several Divisions for information.
Ford Motor Co. Dearborn, Mich.	Yes	None. Negative reply.
Chrysler Corp. Detroit, Mich.	No	None.
General Electric Schenectady, N. Y.	Yes	Some forms from mail-room supervisor. A booklet entitled: Stock-keeping System Guide. Limited information on desired subject.
Western Electric Corp. New York, N. Y.	Yes	Some forms. No information on procedures.
Westinghouse Electric Corp. Pittsburg, Pa.	No	None.
U. S. Steel Corp. New York, N. Y.	Yes	None. Negative reply.
Bethlehem Steel Bethlehem, Pa.	No	None.
Swift & Company Chicago, Ill.	No	None.

SUMMARY OF CORRESPONDENCE FROM U. S. CORPORATIONS
(Continued)

COMPANY NAME AND ADDRESS	REPLY	INFORMATION PROVIDED
Armour & Co. Chicago, Ill.	No	None.
Boeing Co. Seattle, Wash.	Yes	Procedures Manual and forms provided by Airplane Div. and Aero-Space Div.
Lockheed Aircraft Corp. Burbank, Calif.	Yes	Procedures Manual of Purchasing Div. Limited information on desired subject.
Douglas Aircraft Santa Monica, Calif.	Yes	Procedures outlined in letter, and sample forms.
Aerojet-General Corp. El Monte, Calif.	Yes	Procedures Manual and forms. Excellent.
National Dairy Products Corp. New York, N.Y.	No	None.
General Foods Corp. White Plains, N. Y.	No	None.
Borden Company New York, N. Y.	No	None.
General Mills Minneapolis, Minn.	No	None.
Campbell Soup Co. Camden, N. J.	No	None.
National Biscuit Co. New York, N. Y. San Jose, Calif.	Yes	No information provided by mail. Suggested visit to Sales Branch in San Jose.
Carnation Co. Los Angeles, Calif.	No	None.
Kellogg Company Battle Creek, Mich.	Yes	None. Negative reply.
Pet Milk Company St. Louis, Mo.	No	None.

SUMMARY OF CORRESPONDENCE FROM U. S. CORPORATIONS
(Concluded)

COMPANY NAME AND ADDRESS	REPLY	INFORMATION PROVIDED
Pillsbury Company Minneapolis, Minn.	No	None.
Proctor & Gamble Co. Cincinnati, Ohio	Yes	None. Forwarded scholarship flyer. Considered negative reply.
Cannon Mills Co. Kannapolis, N. C.	No	None.
Cones Mills Corp. Greensboro, N. C.	No	None.
Goodyear Tire & Rubber Co. Akron, Ohio	No	None.
U. S. Rubber Co. New York, N. Y.	No	None.
Continental Can Co. New York, N. Y.	Yes	Procedures Manual with exhibits of forms. Excellent.
American Can Co. New York, N. Y.	No	None.
Bendix Corp. Detroit, Mich.	No	None.
Philco Corp. Philadelphia, Pa.	No	None.
Glidden Co. Cleveland, Ohio	No	None.
Sherwin Williams Co. Cleveland, Ohio	Yes	Some forms. No information on procedures.
Rexall Drug & Chemical Co. Los Angeles, Calif.	Yes	Many forms-used by retail stores and manufacturing companies. No information on procedures.

SURVEY STATISTICS

SURVEY ACTION	NUMBER
Companies contacted	39
Companies replied	18 (46%)
Companies not replying	21 (54%)
Negative replies	4
Companies providing some information either through mail or company visits	13
Companies providing enough information to describe in some detail their procedures and forms used	9

APPENDIX III

LETTERS FROM: MONTGOMERY WARD

SEARS ROEBUCK & CO. AND NATIONAL BISCUIT CO.

THESE LETTERS RESULTED IN COMPANY VISITS

TO OBTAIN INFORMATION FOR THIS RESEARCH STUDY

MONTGOMERY WARD

General Offices 2825 E. 14th St., Oakland 16, California · KEllogg 3-1300

January 21, 1964

William B. York, Jr.
LCDR, SC, USN
U.S. Naval Postgraduate School
Box 2671
Monterey, California

Dear Sir:

I have your letter addressed to the Educational Director regarding forms and procedures used in our order handling.

It is my opinion that if you could arrange it, a visit to our Mail Order House would be advisable. Because of the complexities of the operation, observation would better enable you to determine just what phases you would like to cover.

If you could let us know when you would like to visit our House, we will arrange for someone to confer with you.

Sears, Roebuck and Co.
Pacific Coast Administrative Offices
2650 East Olympic Boulevard
Los Angeles 54, California

March 5, 1964

Mr. William B. York, Jr.
LCDR, SC, USN
U. S. Naval Postgraduate School
Box 2671
Monterey, California

Dear Mr. York:

This will acknowledge your letter of January 16, 1964 relative to your research for a Master's thesis.

As you can understand, many of our procedures have been developed at considerable cost in money and experience. Therefore, they must be treated as confidential information.

Nevertheless, I am certain that we will be able to cooperate with you to some degree, and therefore, would like to make the following suggestion to you.

Please contact Mr. J. H. Ogilvie, Manager
Sears, Roebuck and Co.
1002 So. Main Street
Salinas, California

I am sure that he will be glad to assist you in every way possible.

NABISCO NATIONAL BISCUIT COMPANY

425 PARK AVENUE
NEW YORK 22, N. Y.

Telephone: PLaza 1-5000

PLEASE REPLY TO: P. O. BOX 29
NEW YORK 17, N. Y.

February 24, 1964

Mr. William B. York, Jr.
LCDR, SC, USN
U. S. Naval Postgraduate School
P. O. Box 2671 (SMC)
Monterey, California

Dear Mr. York:

In reply to your inquiry, we regret that we have no printed information on material requisitioning .

We would suggest that you visit our nearest sales and distribution branch where you may obtain a general idea of how we operate. This would be our San Jose branch at 298 Bassett Street, San Jose, Calif. The manager there is Mr. W. N. Petersen.

APPENDIX IV

LETTERS FROM COMPANIES WHICH PROVIDED PROCEDURES AND FORMS HELPFUL IN CONDUCTING THIS RESEARCH STUDY

AEROJET-GENERAL CORPORATION
AZUSA, CALIFORNIA 91703 • ED 4-6211

VON KARMAN CENTER

3 March 1964

LCDR, York, Jr.
U. S. Naval Postgraduate School
Post Office Box 2671 (SMC)
Monterey, California

Subject: Information for a Master's Thesis

Dear LCDR, York:

Enclosed are the procedures and forms you requested. Hope these represent the data you are seeking and will aid in the successful completion of your Master's thesis.

If I can be of any further assistance, please feel free to drop me a line.

Sincerely,

CONTINENTAL CAN COMPANY, INC.

633 THIRD AVENUE
NEW YORK, N.Y. 10017

CABLE ADDRESS
"CONTINCAN, NEW YORK"

February 25, 1964

Lieut. Commander William B. York, Jr.
U. S. Naval Postgraduate School
Post Office Box 2671 (SMC)
Monterey, California

Dear Commander York:

In answer to your letter of January 28 addressed to the Educational Director, we enclose organizational instructions on material requisitioning and issuing in this company.

We hope this material will be helpful to you in the preparation of your master's thesis.

Sincerely yours

THE BOEING COMPANY
AERO - SPACE DIVISION · P.O. BOX 3707 · SEATTLE 24, WASHINGTON

February 14, 1964
2-4401-3-3-46

William B. York, Jr.
LCDR, SC, USN
U. S. Naval Post Graduate School
Post Office Box 2671 (SMC)
Monterey, California

Dear Mr. York:

Your letter of January 28, asked for information to assist in the preparation of your thesis.

The enclosed procedures and forms related to the Aero-Space Division operations are sent to you per your request.

[illegible] to assist you in your task

DEBIT REQUISITION

☐ A-S-D ☐ TD ☐ IPD ☐ EXPERIMENTAL

PART NUMBER	JOB NUMBER	MANUFACTURING SCHED. START	MANUFACTURING SCHED. COMPLETION	DATE WRITTEN	A/P UNIT NO.	REQUISITION NUMBER
						D803225

MATERIAL CLASS AND CODE	C. C.	W. O. OR ACCOUNT	SUB	SERIAL	LOT	INCR	CREW

	M-C	DRAW FROM STORE	DEL. TO ORGN.	NO. OF PARTS	PARTS ESTIMATE	POSITION

QUANTITY	MEASURE	MATERIAL DESCRIPTION	USED ON PART NUMBER	WEIGHT	FILLED FROM DIV.	FILLED FROM B. OR G.

QUAN. CODE	BLDG. NO.	COL. AND/OR DOOR	M. S.	AUTHORIZED BY

UNIT PRICE	EXTENDED VALUE	STORES ACCOUNT	DATE ISSUED		STORES CLERK

IMPORTANT - DO NOT DESTROY 2-4400
ROUTE ALL VOID OR UNCASHED REQS. TO ORGN. 2-9400

ROUTING - WHITE - ACCOUNTING COPY
PINK - SHOP COPY
CANARY - MATERIEL CONTROL UNCASHED COPY
BUFF - MATERIEL CONTROL CASHED COPY

REV. 2-62
U3 4009 5000

STATIONERY REQUISITION

DEBIT (ONE ITEM ONLY)

IMPORTANT - Order forms and office supplies by code number and unit of issue as shown in catalog.

DO NOT WRITE IN SHADED AREAS

CODE NUMBER	QUANTITY	UNIT OF ISSUE

MC	ACC'T OR W.O.-SUB.

DESCRIPTION (SHOW COLOR, SIZE, FORM TITLE, AS SHOWN IN CATALOG.)

REQUESTING ORGN.	AUTHORIZED SIGNATURE	
DATE ORDERED	MAIL STOP	TELEPHONE NUMBER
DATE FILLED	FILLED BY	RECORDED BY / COST

TRANSPORTATION LABEL

ORIGINATOR:
FILL OUT ALL EXCEPT SHADED AREAS

DATE	SEND TO	TIME AM / PM

PLANT NO.	BLDG. NO.	BAY, COL., DOOR, ROOM NO.

NAME OF PERSON TO RECEIVE ORDER	
ORGN. NUMBER	TELEPHONE NUMBER

FROM

PLANT NO.	ORGN. NO.	EXACT LOCATION
2	2-9720	WHSE. 40 B
NAME OF PERSON AUTHORIZING ORDER		TELEPHONE
STATIONERY STORE SUPR.		5-1462

TYPE OF CONTAINER	PAPER WORK IS INCLUDED ☐ YES ☐ NO

PLEASE CIRCLE QUANTITY OF PACKAGES IN ORDER

1 2 3 4 5 6 7 8 9 10

SIGNATURE OF DRIVER	TIME AM / PM

A CORRECT ADDRESS SPEEDS DELIVERY

Ⓟs U3 4043 0000 REV. 5-60

THE BOEING COMPANY
AIRPLANE DIVISION · P. O. BOX 707 · RENTON, WASHINGTON

February 25, 1964

IN REPLY REFER TO

6-4411-2-373

LT. COMMANDER WILLIAM B. YORK, JR.
U. S. Naval Base Graduate School
P. O. Box 2671 (SMC)
Monterey, California

My dear Commander York:

In accordance with your request of January 28, 1964, we are enclosing instructions and forms used to requisition materials. As we understand your request, the information covers only the preparation of:
(1) requisitions authorizing purchase of materials and (2) requisitions authorizing release of materials from stores or warehouse.

TO: MATERIEL DEPT. **THIS IS NOT A REQUEST TO PURCHASE**

PART NO. OR USED ON	CONTROL	ACCT. OR W.O.	SUB	SERIAL	DATE

DELIVER TO

SECTION:

REASON:

- ☐ SHOP STOCK
- ☐ MAKE ON ASSY.
- ☐ REWORK
- ☐ TOOL TRYOUT
- ☐ QUALIFICATION TEST
- ☐ QUANTITY CONTROLLED ITEMS
- ☐ RESEARCH AND DEVELOPMENT
- ☐ EXP. OR MOCKUP
- ☐ SPOILED OR LOST MATERIAL
- ☐ OTHER (EXPLAIN FULLY)

QUANTITY	PART NO. OR DESCRIPTION	REMARKS OR ACTION

REQUESTED BY

SUPERVISORY APPROVAL

TD 1996 R2

6-4400

REQUEST FOR REQUISITION TO:
DRAW RAW MATERIAL, PURCHASED PARTS OR EQUIPMENT FROM CONTROLLERS DIVISION STORES.

ACME VISIBLE
#V2072-7.5

DESCRIPTION: 7070306001 VALVE

PART NO.: 10-3060-1

CALL CODE | PRIORITY 1-EXPEOITE 2-GRIEF 3-S.O.S. | IN PLANT ROUTING: PCA 119 - 6-4552 | APPROVAL REQ.

BUYER NOTES | OATE: 2-11-4 AWD

AIRPLANE EFFECTIVITY & QTY. PER A/P: E1 - 41

REQMTS SOURCE: DG-5604.2

DISTRIBUTION

TOTAL BUS. SOLICITED	SMALL BUS. TECH. NOT QUAL.	NO. SMALL BUSS. SOLICITED	NO. SMALL BUS. RESPONDING
A	B	C	D

E | F

PROCUREMENT CODE	TOTAL VALUE	TERM P.O.	NO. OF WEEKS	G	EST. PRICE	ITEM 1	ITEM 2

✓ PURCHASE ORDER | CHANGE ORDER NUMBER

CHANGE AFFECTS

A-PART NO. E-SCHEDULE I-SOURCE INSPECT
B-QTY. F-OESCRIPTION J-ROUTING
C-WORK ORDER G-PRICE K-ADDEO ITEM
O-MATL CODE H-CONTRACT - L-INTERNAL PROCESSING
M-OTHER

PURCHASE ORDER: R

VENDOR CODE | DATE

F.O.B.

CONTRACT: Commercial | SHIP VIA

SHIP TO | BUYER CODE | BUYER SUPV & BUYER | SALES TAX: A FOR RESALE C - TAX N/A B TAX APPLIES

CERT DOA-1 | P & C CODE | QTY | ITEM 1: 41 E1 | U/P | QTY | ITEM 2 | U/P | WORK ORDER: 6-6-4507

NOTES

RD								
RD								
QTY	2	4	6	8	10	5	5	1
SCHQ	3-1-4	4-1-4	5-1-4	6-1-4	7-1-4	8-1-4	9-1-4	11-1-4
CH								

TD-4453-R1 TRAVELING REQUISITION 6-4400

DOUGLAS

MISSILE & SPACE SYSTEMS DIVISION

February 27, 1964

A-162=23

Mr. William B. York, Jr.
U. S. Naval Postgraduate School
Post Office Box 2671, (SMC)
Monterey, California

Dear Sir:

In reply to your request for information on Material Ordering and Issuing System I am enclosing forms used by Douglas Company, Missile and Space Systems Division.

As a major part of our procedures are written to handle the variable within our basic procedures or philosophy of operation, perhaps a short description of our basic procedure would be more desirable.

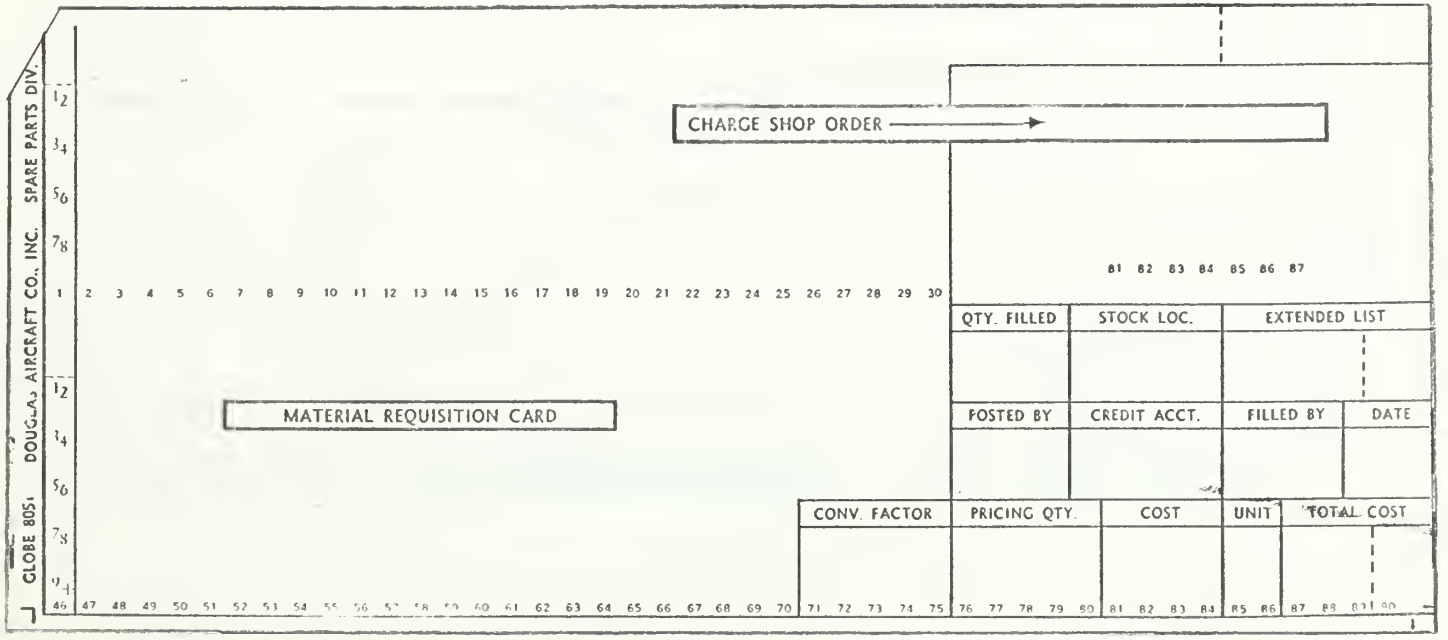
All manufacturing materials for the end item are listed from the blueprint by the Material Release Department in Engineering or Planning. These requirements are accumulated by contract number and sent to Material Control for recording on Inventory Records.

Material Control creates a Purchase Requisition and sends it to Purchasing Department for procurement of material. After receipt of material it is issued on Planning withdrawal paper to the shop.

Material Control establishes requirements on Maintenance, Repair and Operating Supplies by computing an average Monthly Consumption (AMC) using the average of the past six months usage. Quantities to be ordered are established by Economical Order Quantity (EOQ)Method.

Enclosed are the basic forms used in our procedures with a note on each to identify its function.

I trust this will be of some help in your study.


DOUGLAS AIRCRAFT CO., INC. SPARE PARTS DIV.
GLOBE 805
CHARGE SHOP ORDER
MATERIAL REQUISITION CARD
QTY. FILLED
STOCK LOC.
EXTENDED LIST
POSTED BY
CREDIT ACCT.
FILLED BY
DATE
CONV. FACTOR
PRICING QTY.
COST
UNIT
TOTAL COST

AIRPLANE

DEBIT REQUISITION

AIRPLANE

PART NUMBER	JOB NUMBER	MANUFACTURING SCHED. START	MANUFACTURING SCHED. COMPLETION	DATE WRITTEN	A/P UNIT NO.	REQUISITION NUMBER
10-3060-1				2-11-4	E1	Q917196

MATERIAL CLASS AND CODE	C.C.	W.O. OR ACCOUNT	SUB	SERIAL	LOT	INCR	CREW
7,0,7,0,3,0,6,0,0,1	1	6-9591	—	—			

	M-C	DRAW FROM STORE	DEL. TO ORGN.	NO. OF PARTS	PARTS ESTIMATE	POSITION
	1	64552 119	6-3360	1		

QUANTITY	MEASURE	MATERIAL DESCRIPTION	USED ON PART NUMBER	WEIGHT	FILLED FROM DIV.	FILLED FROM B. OR G.
1	EA	VALVE	65-12345-6			

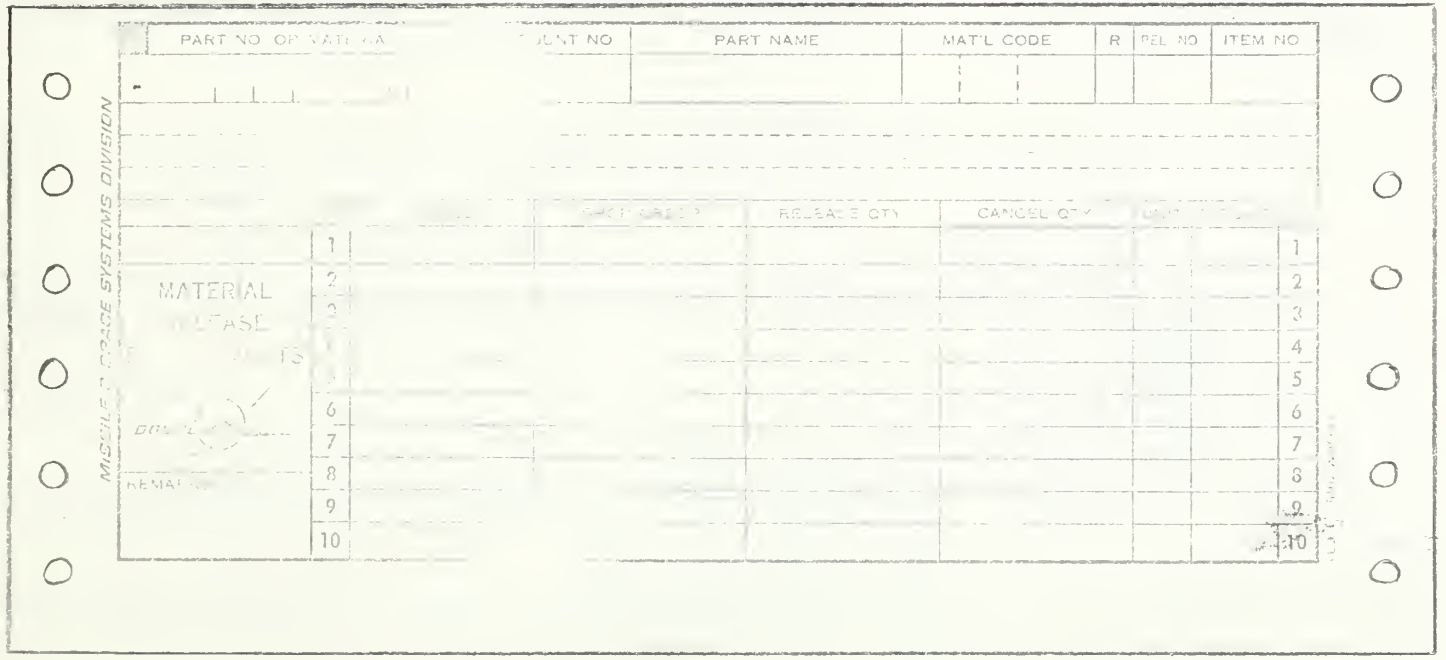
Sample P.E.

QUAN. CODE	UNIT PRICE	EXTENDED VALUE	STORES ACCOUNT

AIRPLANE DEBIT REQUISITION

IMPORTANT - DO NOT DESTROY
VOID OR UNCASHED REQS. TO ORGN 6-9400
6-4400

WHITE - ACCOUNTING COPY
CANARY - MATERIEL CONTROL UNCASHED COPY
PINK - SHOP COPY


PART NO OR MATERIAL
PART NAME
MAT'L CODE
R
REL NO
ITEM NO
RELEASE QTY
CANCEL QTY
MATERIAL RELEASE
REMARKS
MISSILE & SPACE SYSTEMS DIVISION

DEPARTMENTAL MATERIAL REQUISITION FORM SM 22-L-1 - REV. (3-49)

REQUISITION NO. A 4334563

CREDIT ACCOUNT NO.	DRAWING NO.	FOR DEPARTMENT
	DATE	APPROVED BY

CHARGE S. O. OR ACCT. NO.

THIS REQUISITION MAY BE USED FOR ONE ITEM ONLY

QUANTITY ORDERED	SIZE OR PART NUMBER	DESCRIPTION	TOTAL FILLED QTY.	TOTAL FILLED UNIT OF ISSUE

STOCKROOM NOTE ANY SUBSTITUTIONS BELOW

REMARKS:

M. D. CLASSIFICATION NO.

CONTROL CODE	
STOCK-ROOM CODE	
TRANS-ACTION CODE	

DATE FILLED	FILLED BY STOCKROOM CLERK		CUT BY	WEIGHED BY	LOCATION	POSTED BY	UNIT COST	TOTAL COST

RECEIVED BY

Pf

APPENDIX V

REPLIES FROM COMPANIES WHICH WERE DEFINITE NEGATIVE RESPONSES

United States Steel Corporation
525 William Penn Place
Pittsburgh 30, Pa.

ACCOUNTING
DEPARTMENT

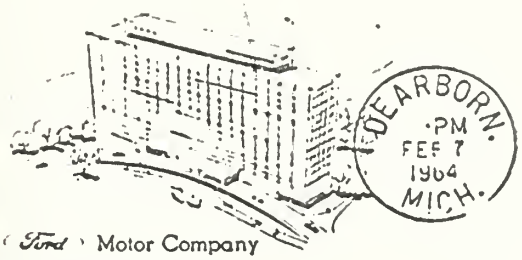
March 23, 1964

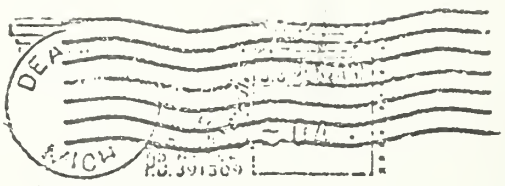
Mr. William B. York, Jr.
L CDR, SC, USN
U. S. Naval Post Graduate School
P. O. Box 2671 (SMC)
Monterey, California

Dear Mr. York:

Thank you for your letter of January 28, 1964 requesting information on Material Requisitioning and Issuing Systems.

Our material acquisition and disbursement procedures are designed to meet specific needs compatible with over-all corporate principles and are not available for release. We are not, therefore, in position to respond to your request with any material that, in our opinion, would be useful to your current study.





Ford Motor Company
The American Road
Dearborn, Michigan

William B. York, Jr.
LCDR, SC, USN
U. S. Naval Postgraduate School
Post Office Box 2671 (SMC)
Monterey, California

Ford

MOTOR COMPANY

The American Road, Dearborn, Michigan

Thank you for your inquiry.

We consider it a privilege to assist students with special research projects whenever possible. Our assistance, however, must be limited to those subjects on which we have materials or information available. Since your project requires a compilation of data that is more extensive than we can undertake, or the use of classified information, we are unable to assist you further in this study.

We appreciate the interest that prompted you to write, and hope that we can assist you in connection with another project at some future time.

Cordially,
Educational Affairs Department

KELLOGG COMPANY
BATTLE CREEK, MICHIGAN

February 14, 1964

Mr. William B. York, Jr.
LCDR, SC, USN
U. S. Naval Postgraduate School
Post Office Box 2671 (SMC)
Monterey, California

Dear Mr. York:

Although we obviously have procedures to carry out all these functions, the materials are not readily available in printed form which we can offer you. We are sorry we cannot be of help to you in this matter.

Thank you very much for writing and we wish you the best of luck in obtaining your masters degree.

APPENDIX VI

LETTERS FROM COMPANIES WHICH EXPRESSED SOME WILLINGNESS TO ASSIST BUT WITH LIMITATIONS

LOCKHEED-CALIFORNIA COMPANY
A DIVISION OF LOCKHEED AIRCRAFT CORPORATION
BURBANK CALIFORNIA 91503

March 6, 1964

LCDR W. B. York, Jr.
U. S. Naval Postgraduate School,
Monterey, California 93940
P. O. Box 2671

Dear Sir:

This responds at last to your letter of January 28, 1964, addressed to the Educational Director, Lockheed Aircraft Corporation, which has been handed to me for attention.

The enclosed manual on Procurement Planning no doubt contains much material not precisely pertinent to your thesis. It does contain much of the ordering philosophy, though, so will probably be of some help.

The enclosed facsimile forms and descriptions of their use may be more in point.

We hope this material will be helpful to you. When it has served its purpose, it may be destroyed. I am sure you understand that we would not like to have any of it published without our first having an opportunity to review the material.

REXALL DRUG AND CHEMICAL COMPANY

EXECUTIVE OFFICES

8480 BEVERLY BOULEVARD, LOS ANGELES, CALIFORNIA 90054

February 11, 1964

Lt. Commander William B. York, Jr.
U. S. Naval Postgraduate School
Post Office Box 2671 (SMC)
Monterey, California, 93940

Dear Mr. York:

Our "contribution" to your study is being sent to you in a separate package, and I hope it will be of some assistance to you. This is in reply to your request of January 28, addressed to "Educational Director".

Unfortunately, there are no formal procedures or instructions that we can furnish, but we are sending a couple of pounds of forms which are used in stores, manufacturing plants and warehouses. They have been gathered for us in our accounting department and have been tagged in an informal fashion. We are a little shorthanded at present or we would have dressed the packets up a little more.

Good luck in your study. It would be nice to know how you make out.

GENERAL MOTORS CORPORATION
GENERAL MOTORS TECHNICAL CENTER
WARREN, MICHIGAN 48090

EDUCATIONAL RELATIONS SECTION
PUBLIC RELATIONS STAFF

February 18, 1964

Mr. William B. York, Jr.
LGDR, SC, USN
U. S. Naval Postgraduate School
Post Office Box 2671 (SMC)
Monterey, California

Dear Mr. York:

Thank you for your recent letter requesting information on the General Motors requisitioning system.

Since General Motors operates on a decentralized basis, each of our divisions is in charge of its own purchasing. Therefore, I suggest you write several of them directly asking for the information you need. I am sure they will do their best to help you.

The enclosed booklet, "A Look at GM", contains any divisional addresses you might need.

We appreciate your interest in General Motors, and if we can be of further assistance to you, please let us know.

Sincerely,

Western Electric Company
INCORPORATED
195 BROADWAY, NEW YORK, N.Y. 10007
AREA CODE 212 571-2345

February 21, 1964

COMMANDER WILLIAM B. YORK, JR.
LCDR, SC, USN
U. S. Naval Postgraduate School
P. O. Box 2671 (SMC)
Monterey, California

Dear Commander York:

I have attached copies of some of the forms we use to requisition material, payroll accounting, billing, and purchase of material. Also, included are forms for telephone company requisition on Western Electric and U. S. Government requisition on Western Electric for non-project or contract items.

I hope these forms will help you in the preparation of your Master's thesis.

Thank you for your interest in Western Electric.

THE SHERWIN-WILLIAMS CO.
101 PROSPECT AVE., N W
CLEVELAND 1, OHIO

February 21, 1964

LCDR William B. York, Jr.
U. S. Naval Postgraduate School
Post Office Box 2671 (SMC)
Monterey, California

Dear Commander York:

Perhaps the enclosed forms used by our Purchasing Department will be helpful to you in connection with your study of material requisitioning.

If I can be helpful in any other way, please let me know.