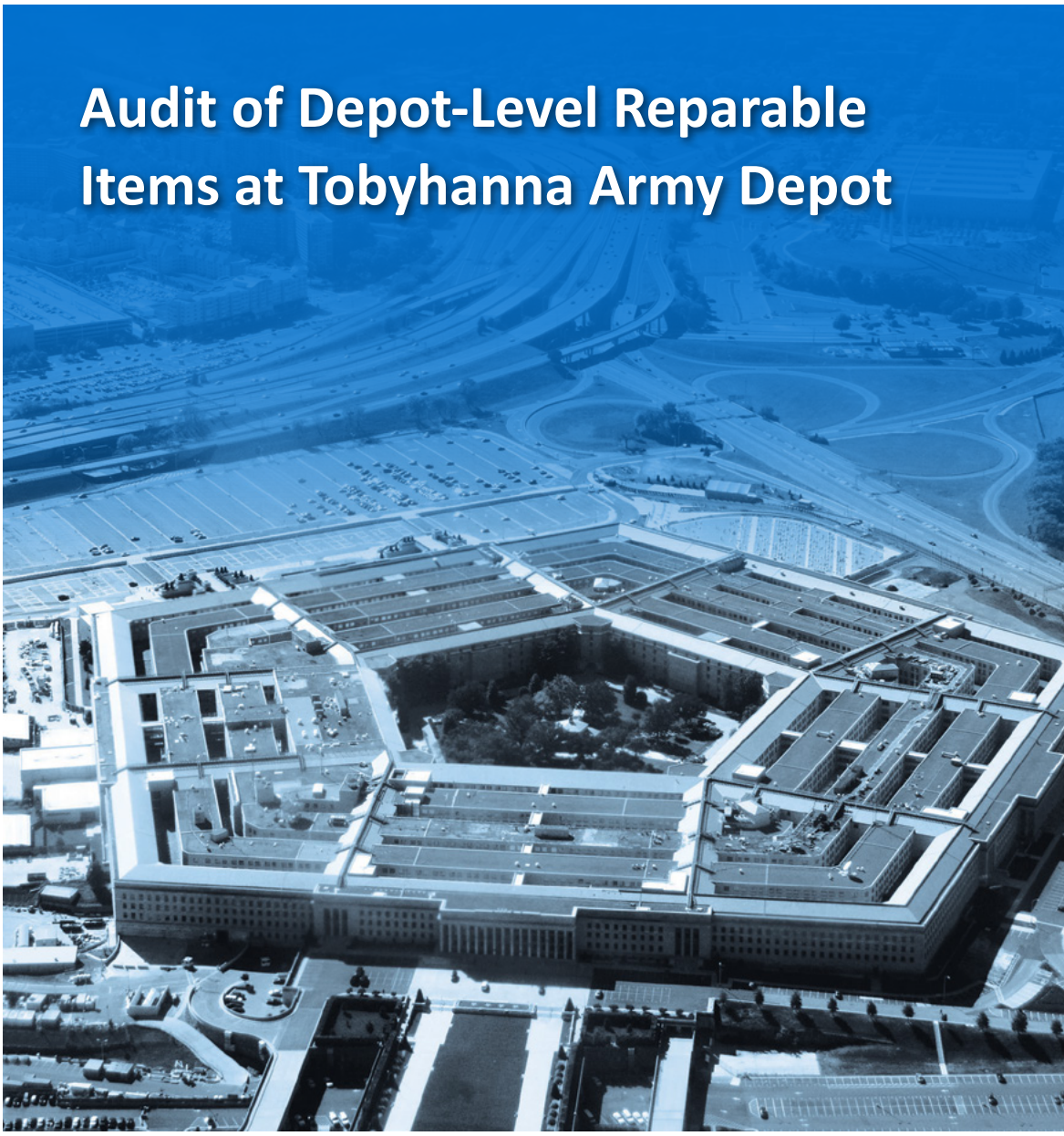
Report No. DODIG-2021-043

INSPECTOR GENERAL

U.S. Department of Defense

JANUARY 8, 2021

Audit of Depot-Level Reparable Items at Tobyhanna Army Depot



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Results in Brief

Audit of Depot-Level Reparable Items at Tobyhanna Army Depot

January 8, 2021

Objective

The objective of this audit was to determine whether Army officials considered and mitigated challenges to parts availability when planning and executing repair and overhaul of reparable items for Command, Control, Computers, Communications, Cyber, Intelligence, Surveillance, and Reconnaissance (C5ISR) at the Tobyhanna Army Depot.

Background

C5ISR systems are the network of platforms, sensors, communications, and decision aids that connect systems to provide the DoD with critical information and capabilities. C5ISR equipment includes surveillance and weapon-locating radars, avionics, tactical and strategic communication systems, tactical missile equipment, and night vision and guidance control systems.

The Tobyhanna Army Depot (Tobyhanna), managed by the Army Communications-Electronics Command (CECOM), is a Government-owned and operated installation that maintains and repairs complex military systems and equipment (referred to as depot-level reparable items) that require overhauling, upgrading, rebuilding, or testing for C5ISR systems across the DoD. Tobyhanna is the primary C5ISR provider for the Army and the Air Force, and also performs work for the Navy and Marine Corps.

During the depot-level repair process, Tobyhanna uses a mix of reparable and consumable parts. The Defense Logistics

Background (cont'd)

Agency (DLA) manages most of the consumable parts for the DoD. Each part in the Federal supply system has a national stock number (NSN)—a unique item identifier applied to an item of supply. When Tobyhanna purchases a part outside of the DLA supply system, Tobyhanna officials can notify the DLA of that purchase through a demand history adjustment. The demand history adjustment enables the DLA to consider that purchase in planning for future purchases of the part.

Finding

CECOM addressed challenges to parts availability within the planning process for depot-level repairs performed at Tobyhanna. Specifically, CECOM developed process improvements and initiated corrective action plans to address parts availability challenges that caused schedule slippages and inaccuracies in bills of material (parts listings) for C5ISR weapon systems. However, CECOM and Tobyhanna faced challenges in other aspects of the depot-level repair process for C5ISR items. These challenges may affect future parts availability and timeliness.

Specifically, CECOM, in conjunction with Tobyhanna, did not submit 463 of 503 manufacturer parts purchased by Tobyhanna to the DLA Logistics Information Service for NSN assignment because CECOM and Tobyhanna did not develop procedures to request NSNs for manufacturer parts purchased more than two times within 180 days as required by DoD and Army policy. Because CECOM and Tobyhanna did not request NSNs for 463 manufacturer parts, Tobyhanna missed out on potential savings that the DLA may have obtained by purchasing the items on behalf of Tobyhanna. Of the 503 parts purchased by Tobyhanna, CECOM personnel submitted 36 parts for NSN assignment, for which the DLA Logistics Information Service established 29 NSNs.[1] For these NSNs, the Army could save approximately 21 percent if Tobyhanna purchases the items through the DLA in the future.

[1] As of September 1, 2020, the DLA Logistics Information Service was processing four NSN requests and had rejected three NSN requests.

Results in Brief

Audit of Depot-Level Reparable Items at Tobyhanna Army Depot

Finding (cont'd)

Furthermore, the process of assigning an NSN leads to better visibility and control of supplies. Creating NSNs helps to ensure that spare parts are available throughout a system's life cycle. NSNs provide critical information like the item's manufacturer, dimensions, and cost.

In addition, Tobyhanna personnel did not correctly submit demand history adjustments to notify the DLA of 1,653 local purchases of 1,197 parts (NSNs) that Tobyhanna purchased outside of the DLA supply chain. Tobyhanna personnel stated that they used incorrect identification numbers to report the transactions to the DLA. Because Tobyhanna did not correctly submit demand history adjustments, the DLA did not capture all demand for NSNs that Tobyhanna purchased outside of the DLA supply chain. If Tobyhanna does not notify the DLA of these purchases, the DLA is not aware of the demand for the part and cannot forecast accurately to meet demand. Demand forecasting affects the DLA's inventory decisions, which can reduce lead times and potentially reduce cost.

Recommendations

We recommend that the CECOM Commander:

- evaluate the implementation of the corrective actions designed to improve parts availability and determine whether these corrective actions resolved the challenges identified;
- submit the 463 manufacturer parts that we identified as meeting the criteria for NSN assignment to the DLA Logistics Information Service for NSN assignment;
- analyze transactions from February 1, 2020, through the present to identify additional manufacturer parts that meet the NSN assignment criteria and submit those parts for NSN assignment; and
- establish a formal process or procedure for identifying parts that meet the NSN assignment criteria and submitting those parts to the DLA Logistics Information Service for NSN assignment.

We recommend that the Tobyhanna Army Depot Commander establish procedures to ensure that depot personnel accurately process demand history adjustment transactions and report them in a timely manner to the DLA for all DLA-managed NSNs procured outside the DLA supply system.

Management Comments and Our Response

The U.S. Army Deputy Chief of Staff, G-4, responding for the CECOM Commander and the Tobyhanna Army Depot Commander, agreed with five recommendations and partially agreed with one recommendation. The comments from the Deputy Chief of Staff addressed the intent of all recommendations. Five recommendations are resolved and open and one recommendation is closed. We will close the remaining five recommendations once management provides documentation demonstrating that it has implemented the presented actions. Please see the Recommendations Table on the next page for the status of recommendations.

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Commander, Army Communications-Electronics Command	None	1.a, 1.b, 1.c, 1.d, 1.e	None
Commander, Tobyhanna Army Depot	None	None	2

Note: The following categories are used to describe agency management's comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – OIG verified that the agreed upon corrective actions were implemented.


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January 8, 2021

MEMORANDUM FOR AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Audit of Depot-Level Reparable Items at Tobyhanna Army Depot
(Report No. DODIG-2021-043)

This final report provides the results of the DoD Office of Inspector General's Audit of Depot-Level Reparable Items at Tobyhanna Army Depot. We previously provided copies of the draft report and requested written comments on the recommendations. We considered management's comments on the draft report when preparing the final report. These comments are included in the report.

The U.S. Army Deputy Chief of Staff, G-4, agreed to address all the recommendations presented in the report; therefore, we consider five of the recommendations as resolved and open and one recommendation as closed. As described in the Recommendations, Management Comments, and Our Response section of this report, we will close the remaining five recommendations when you provide us documentation showing that all agreed-upon actions to implement the recommendations are completed. Therefore, please provide us within 90 days your response concerning specific actions in process or completed on the recommendations. Send your response to either followup@dodig.mil if unclassified or rfunet@dodig.smil.mil if classified SECRET.

If you have any questions, please contact me at [redacted].

Richard B. Vasquez
Assistant Inspector General for Audit
Readiness and Global Operations

Contents

Introduction

Objective

The objective of this audit was to determine whether Army officials considered and mitigated challenges to parts availability when planning and executing repair and overhaul of reparable items for Command, Control, Computers, Communications, Cyber, Intelligence, Surveillance, and Reconnaissance (C5ISR) at the Tobyhanna Army Depot. See the Appendix for our scope and methodology and prior audit coverage related to the objective.

Background

C5ISR systems are the network of platforms, sensors, communication, and decision aids that connect systems to provide the DoD with critical information and combat capabilities. C5ISR systems provide decision-making intelligence that increases situational awareness related to tactical operations, allowing Military Service personnel to collaborate and take timely and definitive action to ensure operational effectiveness. C5ISR equipment includes surveillance and weapon-locating radars, avionics, tactical and strategic communication systems, tactical missile equipment, and night vision and guidance control systems.

Tobyhanna Army Depot

Tobyhanna Army Depot (Tobyhanna) is a Government-owned and operated installation that maintains and repairs complex military systems and equipment (referred to as depot-level reparable items) that require overhauling, upgrading, rebuilding, or testing. Tobyhanna is the Army Center of Industrial and Technical Excellence for C5ISR as well as the Air Force Technology Repair Center for Command, Control, Communications, Computers, Intelligence, and Tactical Missiles. Tobyhanna also performs C5ISR repair and maintenance work for the Navy and Marine Corps.

Repairs at Tobyhanna

We reviewed data from Tobyhanna officials to identify the universe of repair projects (including overhaul) at Tobyhanna in FYs 2019 and 2020. For FY 2019, Tobyhanna completed 1,208 repair projects valued at about $369 million and for FY 2020, Tobyhanna completed 612 repair projects valued at about $321 million as of August 31, 2020.[2] The Table provides a breakout by customer of repair projects at Tobyhanna in FYs 2019 and 2020.

[2] Projects can include work on weapon systems or subassemblies.

Table. C5ISR Repair Projects at Tobyhanna by Customer

Customer	Number of Projects FY 2019	Project Cost FY 2019	Number of Projects FY 2020 (August 31, 2020)	Project Cost FY 2020
Army	479	$248,726,974	395	$234,275,260
Navy/Marine Corps	81	34,820,759	53	29,201,039
Air Force	323	59,174,023	152	57,624,476
Other*	325	25,911,622	12	114,398
Total	**1,208**	**$368,633,378**	**612**	**$321,215,173**

* Such as Foreign Military Sales, the Coast Guard, and other Defense agencies.
Source: Tobyhanna Army Depot.

Depot-Level Reparables

The DoD designates different levels of maintenance to repair parts depending on the skill level, tooling, and facilities needed to execute the repairs. Depot-level repair is the most sophisticated level of maintenance. Depot-level repair consists of repairing a major end item, such as a radar system, by performing repairs (when economical) on reparable parts and replacing consumable parts on the system. A depot-level reparable is an asset or piece of equipment within a system or end item that is designated for repair at the depot level. A depot-level reparable consists of multiple subparts or assemblies composed of both reparable and consumable parts. A reparable part is an item that, when broken, can be economically repaired while a consumable part is any item that, upon installation, cannot be economically repaired. The Military Services manage reparable spare parts, and the Defense Logistics Agency (DLA) manages most consumable spare parts.

Army Management of Depot-Level Reparables

Tobyhanna is one of five Army depots that perform depot-level maintenance. The Army Materiel Command (AMC) provides management and oversight of the Army's depots, each of which falls under one of the AMC's major subordinate commands, referred to as Life Cycle Management Commands, based on the depot's mission. Tobyhanna is principally responsible for the repair and maintenance of C5ISR items and reports to the Army's Communications-Electronics Command (CECOM).

CECOM is responsible for providing, integrating, and sustaining C5ISR mission capabilities for the Army. The CECOM Integrated Logistics Support Center and Tobyhanna support C5ISR weapon systems readiness. Specifically, the Integrated Logistics Support Center integrates and synchronizes C5ISR capabilities, and

Tobyhanna provides full life-cycle sustainment support through depot repair and maintenance. CECOM is responsible for ensuring that all the required parts to repair a system are available at Tobyhanna. This responsibility includes planning for potential challenges to parts availability that could preclude timely repair and overhaul, and Tobyhanna is responsible for the execution of those repairs.

DLA Management of Consumable Parts

The DLA manages most of the consumable parts used in the repair and maintenance of weapon systems and end items. When the DoD supply chain, including the DLA, cannot meet a customer's timeframe for receiving a part, the customer may purchase the part outside of the DoD supply chain, referred to as a local purchase. When the customer makes a purchase outside of the DoD supply chain, the customer can notify the DLA through a demand history adjustment (DHA). When the customer does not buy from the DLA, the DLA is not aware of the purchase. The DHA alerts the DLA that the customer procured material from a non-DLA source. The DHA notifies the DLA that there is demand for that part so that the DLA can add the demand to the item's demand history. The DLA uses demand history when determining the quantity of items to purchase to meet future customer demand.

DLA Logistics Information Service

The DLA Logistics Information Service (DLIS) is responsible for assigning national stock numbers (NSNs) for Military Service supplies. An NSN is a unique item identifier applied to an item of supply that is procured, stocked, stored, issued, and used throughout the Federal supply system. The DLIS assigns an NSN to an item of supply after a review process known as cataloging. Cataloging is the process where DLIS personnel name an item, assign the item to a Federal supply class, describe the item's known characteristics and performance data, and ultimately assign an NSN to an item. The DLA maintains item information in the Federal Logistics Information System, which the DLIS manages. Within the DoD, the DLIS is the only organization authorized to assign NSNs.

DoD policy requires the Military Services to initiate a request to establish NSNs whenever they repeatedly order an item that is not in the Federal supply system.[3] Items that are not available for purchase from the DLA or the Military Services are called manufacturer parts. To ensure that the DLA starts to stock these manufacturer

[3] DoD Manual 4100.39, "Federal Logistics Information System (FLIS) Procedures," March 8, 2017, Incorporating Change 3, June 3, 2019.

parts, AMC policy requires that the Army start the process for establishing an NSN for manufacturer parts that the Army has purchased at least twice within 180 days and that the Army will need to buy again.[4]

Planning for Depot-Level Repairs

The depot maintenance process starts with planning for the repair. The Military Services prepare a scope of work that identifies the items for repair and provides the scope of work to the depot. According to Army Materiel Maintenance policy, the Military Service and the depot should work together to identify the materials and spare parts needed for the repair and to coordinate the schedule for the repair.[5]

The Army plans for this type of repair through its enterprise resource planning software system. The Army uses this system for production planning, repair planning, and inventory management. The system assists personnel in planning repair requirements to ensure that the repair is planned in the most productive, cost-effective, and best way to meet repair requirements. The system also ensures that the material is available to meet the Military Service priorities (the right asset in the right place at the right time). As the depot maintenance activity for C5ISR reparables, Tobyhanna can requisition (buy) and store reparable parts and consumable parts to support the repair process.

According to Army Materiel Maintenance policy, to determine the reparable and consumable parts necessary to support the planned repairs for systems and end items, CECOM and Tobyhanna must review the forecasted repair requirements for the fiscal year plus 3 future years. A key consideration in depot-level repair is the bill of material (parts listing) for a system. The parts listing identifies parts, materials, and quantities required to repair or overhaul components and assemblies contained in weapon systems. The Army and the DLA determine when to buy the items in the parts listing based on the dates the items are needed for repair and based on lead times.[6] The Army Supply Plan is the business process used to communicate future demands to the DLA in support of repair requirements. The Army must initiate purchases for both reparable and consumable parts far enough in advance to ensure that officials can complete depot-level repairs on schedule.

[4] AMC Command Policy Letter 17-04-AMCOL-LOS, "Command Policy Letter – Management of Manufacturer Part Numbers (MANP) in Logistics Modernization Program (LMP)," January 25, 2018.

[5] Army Regulation 750-1, "Maintenance of Supplies and Equipment, Army Materiel Maintenance Policy," October 28, 2019.

[6] Lead time is the amount of time from the initiation of a request to delivery of the asset.

What We Reviewed

To perform the audit, we:

- reviewed DoD, DLA, and Army policies and procedures for planning depot-level repairs;
- reviewed 5,395 manufacturer parts purchased by Tobyhanna from October 1, 2018, through January 31, 2020, to identify parts purchased at least two times within 180 days;
- compared the DLA price of 28 NSNs established between November 2019 and January 2020 to the manufacturer part price paid by Tobyhanna to determine whether DLA prices were lower; and
- compared 1,657 Tobyhanna purchases made outside of the DLA supply chain that occurred between October 2018 and January 2020 to 267 DHA transactions submitted between October 2018 and January 2020 to determine whether the Tobyhanna purchases were reported to the DLA.

Review of Internal Controls

DoD Instruction 5010.40 requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls.[7] We identified internal control weaknesses where CECOM and Tobyhanna did not submit to the DLA the manufacturer parts that met NSN conversion criteria, and Tobyhanna did not correctly submit DHAs for locally purchased NSNs used in the depot-level repair of C5ISR items. We will provide a copy of the final report to the senior official responsible for internal controls in the Department of the Army.

[7] DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

Finding

CECOM and Tobyhanna Addressed Challenges in Planning for C5ISR Repairs but Challenges in the Reporting Process Remained

CECOM addressed parts availability challenges within the planning process for depot-level repairs performed at Tobyhanna. Specifically, CECOM developed process improvements and initiated corrective action plans to address parts availability challenges that caused schedule slippages and inaccuracies in bills of material (parts listings) for C5ISR weapon systems. However, CECOM and Tobyhanna faced challenges in other aspects of depot-level repair processes for C5ISR items that may affect future parts availability and timeliness.

Specifically, CECOM, in conjunction with Tobyhanna, did not submit 463 of 503 manufacturer parts purchased by Tobyhanna to the DLIS for NSN assignment because CECOM and Tobyhanna did not develop procedures to request NSNs for manufacturer parts purchased more than two times within 180 days as required by DoD and Army policy. Because CECOM and Tobyhanna did not request NSNs for 463 manufacturer parts, Tobyhanna missed out on potential savings that the DLA may have obtained by purchasing the items. Of the 503 manufacturer parts purchased by Tobyhanna, CECOM personnel identified 40 parts for NSN assignment and requested NSNs for 36 parts, for which the DLIS established 29 NSNs.[8] For these 29 NSNs, the Army could save approximately 21 percent if Tobyhanna purchases the items through the DLA in the future.[9] Furthermore, the processes of cataloging and assigning an NSN lead to better visibility and control of supplies.

In addition, Tobyhanna personnel did not correctly submit DHAs to notify the DLA of 1,653 local purchases of 1,197 parts (NSNs) that Tobyhanna purchased outside of the DLA supply chain. Tobyhanna personnel stated that they used incorrect identification numbers to report the transactions to the DLA. Because Tobyhanna did not correctly submit DHAs, the DLA did not capture all the demand for NSNs that Tobyhanna purchased outside of the DLA supply chain. If Tobyhanna does not notify the DLA of these purchases, the DLA is not aware of the demand for the part and cannot forecast accurately to meet demand. Demand forecasting affects the DLA's inventory decisions, which can reduce lead times and potentially reduce costs.

[8] As of September 1, 2020, the DLIS was processing four NSN requests and rejected three NSN requests. CECOM personnel did not submit the remaining four parts for NSN assignment because CECOM did not identify valid manufacturers for two parts, one part already had an established NSN, and one part was under review for submission.

[9] We compared the purchase price for 28 manufacturer parts later converted to NSNs to the DLA price and found that DLA prices were on average 21 percent lower. We removed one of the NSNs with incomplete information from the analysis.

C5ISR Planning Improvements Ongoing

CECOM addressed parts availability challenges within the planning process for depot-level repairs performed at Tobyhanna. Specifically, CECOM developed process improvements and initiated corrective actions to address parts availability challenges that caused schedule slippages and inaccuracies in parts listings for C5ISR weapon systems.

Processes to Improve Availability of Repair Parts

To address parts availability challenges, CECOM developed process improvements and initiated corrective actions. The AMC, which oversees CECOM and Tobyhanna, coordinated with the DLA to create a strategy to reduce long lead times for non-stocked consumable items that were centrally procured by the DLA (acquisition advice code "J" items).[10] Because acquisition advice code "J" items are not stocked, it takes longer for the Army to obtain the items through the DLA. To reduce the lead time for these items, the AMC and the DLA agreed to convert certain acquisition advice code "J" items to stock—either acquisition advice code "D" or "Z".[11] After conversion, the DLA will stock the consumable item allowing for shorter lead times to procure the item. This should result in reduced schedule slippages at the depot related to the long lead time to procure these types of items.

The AMC coordinated with the DLA to create a strategy to reduce long lead times.

In addition, during our site visits, CECOM and Tobyhanna provided information on the Commanders' Critical Information Requirements process to report spare parts shortages that would result in maintenance delays.[12] CECOM and Tobyhanna use the Commanders' Critical Information Requirements process to address parts shortages that resulted in delayed maintenance or will result in delayed maintenance if not resolved. The process tracks the parts availability challenges, and reports on status and planned actions. CECOM and Tobyhanna personnel also meet regularly to address parts shortage issues identified in the process. This process should help identify the issues causing the parts shortages and the actions required to resolve the deficiencies for future parts availability requirements.

CECOM officials stated that they anticipate that the strategy to change the advice code for long lead time consumable items and the Commanders' Critical Information Requirements will improve parts availability by reducing lead times, and identifying and resolving issues causing parts shortages. Therefore, the

[10] Acquisition advice code "J" is a non-stocked and centrally procured item. The DLA will initiate procurement only after receipt of a requisition.

[11] Acquisition advice code "D" is for an item that the DLA centrally manages, stocks, and issues. Acquisition advice code "Z" is for an item that may be required occasionally and that requires a minimal quantity of material be stocked due to the essentiality or lead time of the item.

[12] A Commanders' Critical Information Requirement contains information identified as critical to timely information management and decision making that affect successful work accomplishment.

CECOM Commander should evaluate the implementation of these corrective actions for long lead items and the Commanders' Critical Information Requirements, determine whether these corrective actions resolved the challenges identified, and if the corrective actions do not resolve the challenges to parts availability, make appropriate adjustments to the actions taken.

Ongoing Corrective Actions to Reduce Repair Schedule Slippage

During the audit, CECOM personnel identified ongoing initiatives intended to reduce the parts availability issues by 20 percent for the Army, the DLA, and inter-Service managed parts that cause schedule slippages. In addition, CECOM plans to correct inaccuracies in parts listings before beginning the depot maintenance at Tobyhanna. Specifically, CECOM officials stated that as of October 2019 they had corrective actions ongoing to address the following challenges:

- Availability of Army-managed parts. CECOM is performing a parts availability assessment before initiation of the FY 2021 workload at Tobyhanna. In addition, CECOM is conducting summits with customers to determine the FY 2021 Tobyhanna workload.
- Availability of DLA-managed parts. CECOM identified key characteristics of parts impacting the depot schedule for repairs at Tobyhanna. In addition, CECOM plans to identify at-risk FY 2021 components that may cause potential schedule slippages.
- Availability of inter-Service–managed parts. CECOM is implementing standard business rules to support FY 2021 and future forecasted workload at Tobyhanna. In addition, CECOM is establishing agreements with other Military Services to track parts availability on a monthly basis.
- Accuracy of the parts listings. CECOM is implementing a process to ensure the accuracy of the baseline parts listing. CECOM completed 12 of 123 FY 2021 parts listing reviews for planned work at Tobyhanna.

These initiatives should improve parts availability, leading to an approximate 20-percent reduction in schedule slippages at Tobyhanna.

CECOM officials identified that these initiatives should improve parts availability, leading to an approximate 20-percent reduction in schedule slippages at Tobyhanna. Therefore, the CECOM Commander should evaluate the implementation of the corrective actions for improving parts availability for Army-managed, DLA-managed, and inter-Service–managed parts, as well as accuracy of parts listings. The CECOM Commander should determine whether these corrective actions resolved the challenges identified. If the corrective actions resolve the challenges in depot repair, then the CECOM Commander

should incorporate the corrective actions into policy. If the corrective actions do not resolve the challenges, the CECOM Commander should make appropriate adjustments to the actions taken.

CECOM and Tobyhanna Faced Challenges in Notifying the DLA of Parts Used During Repair

Even though CECOM developed process improvements and initiated corrective actions to address parts availability challenges, CECOM and Tobyhanna faced challenges in other aspects of depot-level repair for C5ISR items that will affect future parts availability and timeliness. Specifically, CECOM and Tobyhanna did not notify the DLA of:

- manufacturer parts that met NSN conversion criteria; or
- parts that Tobyhanna personnel purchased outside of the DLA supply chain. Tobyhanna should have used the correct identification number (NSN) on DHAs to notify the DLA of these parts.

Manufacturer Parts Were Not Sent for NSN Assignment

CECOM, in conjunction with Tobyhanna, did not submit to the DLIS 463 of 503 manufacturer parts purchased by Tobyhanna for NSN assignment, as required by DoD and Army policy.

There are two sets of criteria for creating NSNs—DoD Manual 4100.39 and AMC Policy Letter 17-04.[13] According to DoD Manual 4100.39, the DoD should create an NSN for an item with two or more demands or requisitions recorded within a 180-day period, including items procured directly from a commercial source for immediate use, such as manufacturer parts. AMC Policy Letter 17-04 requires Life Cycle Management Commands to review all manufacturer parts for NSN assignment with two demands (purchases) within a 180-day timeframe and not a one-time requirement (there is future demand for the part). Once the DLIS creates the NSN, the part is available for purchase from the DoD supply system.

We reviewed 5,395 manufacturer parts that Tobyhanna personnel purchased outside the DoD supply chain and identified 503 manufacturer parts purchased at least two times within 180 days that also had future demand.[14] Of the 503 manufacturer parts that we identified in our analysis, CECOM personnel

[13] DoD Manual 4100.39, "Federal Logistics Information System (FLIS) Procedures," March 8, 2017, incorporating Change 3, June 3, 2019. AMC Command Policy Letter 17-04-AMCOL-LOS, "Command Policy Letter – Management of Manufacturer Part Numbers (MANP) in Logistics Modernization Program (LMP)," January 25, 2018.

[14] We reviewed local purchases from October 1, 2018, through January 31, 2020 (such as a Government purchase card or Army Contracting Command contract) and Tobyhanna planned repairs data in FYs 2020 and 2021 to determine whether parts had future demand.

identified 40 manufacturer parts based on an October 2019 review performed by Tobyhanna and submitted 36 of those parts to the DLIS between November 2019 and January 2020 for NSN establishment.[15] However, CECOM, in conjunction with Tobyhanna, did not identify and submit to the DLIS the remaining 463 manufacturer parts that we identified for NSN assignment, as required by DoD and Army policy.

CECOM did not identify and submit to the DLIS 463 manufacturer parts that we identified for NSN assignment.

For example, of the 463 manufacturer parts, Tobyhanna purchased push-button switches—once on August 13, 2019, and again on October 25, 2019 (73 days). In addition, Tobyhanna's forecasted parts list for FY 2020 and 2021 workloads included the push-button switches. Because the two purchases occurred within 180 days and were forecasted for FY 2020 and 2021 workloads, Tobyhanna should have identified the push-button switches for NSN assignment in accordance with policy.

CECOM Lacked Formal Procedures to Establish NSNs

CECOM did not submit at least 463 manufacturer parts to the DLIS to establish NSNs because CECOM and Tobyhanna did not develop standard operating procedures to identify and request NSNs for manufacturer parts purchased more than two times within 180 days, as required by DoD and Army policy.

We asked CECOM personnel from the Supply Chain Management Directorate about the development of the standard operating procedures and determined that the work was ongoing and the procedures were not yet completed. As of May 28, 2020, CECOM was developing a process with Tobyhanna to identify manufacturer parts for conversion to NSNs. Once CECOM and Tobyhanna develop that process, CECOM officials plan to create standard operating procedures to formalize the process. CECOM should submit the 463 manufacturer parts that we identified as meeting the criteria for NSN assignment to the DLIS for NSN assignment. CECOM should analyze transactions from February 1, 2020, through the present to identify additional manufacturer parts that meet the NSN assignment criteria and submit those parts for NSN assignment. CECOM should also establish a formal process or procedure for identifying and reporting parts that meet the NSN assignment criteria and submitting those parts to the DLIS for NSN assignment.

[15] In October 2019, Tobyhanna personnel performed a review of locally purchased manufacturer parts for four Army weapon systems and identified 177 candidates for NSN assignment, of which CECOM personnel submitted 145 to the DLIS for NSN assignment. As of September 1, 2020, the DLIS created 132 NSNs (of which 40 manufacturer parts were included in our analysis); the remaining manufacturer parts either had an established NSN, were still in process, or had been closed by the DLIS.

CECOM personnel did not submit the remaining four parts for NSN assignment because CECOM did not identify valid manufacturers for two parts, one part already had an established NSN, and one part was under review for submission.

Missed Opportunities to Improve Supply Availability

Because CECOM and Tobyhanna did not request NSNs for 463 manufacturer parts that met the criteria for establishing an NSN (that is, the Army purchased the part two or more times within 180 days and had a future need for the part), Tobyhanna missed out on potential improved supply availability and savings that the DLA may have obtained by purchasing the items. Of the 503 parts that Tobyhanna purchased, CECOM personnel identified 40 parts and submitted 36 of those parts for NSN assignment. For those 36 requested NSNs, as of September 1, 2020, DLIS officials:

- established 29 NSNs;
- were analyzing four requests to establish NSNs (cataloging); and
- rejected three requests to establish an NSN because CECOM and Tobyhanna did not include all of the required information for the DLIS to perform analysis.

For 28 of the 29 parts for which the DLIS established an NSN, we compared the average price paid by Tobyhanna on 92 purchases to the price the DLA charges customers (once the DLIS established an NSN) and determined that for those 28 parts, the DLA charged on average 21 percent less than Tobyhanna paid.[16] Therefore, for these 28 parts, the Army could potentially save comparable percentages on future purchases by buying the parts through the DLA.

We determined that for 28 parts, the DLA charged on average 21 percent less than Tobyhanna paid.

Overall, the DLIS cataloging process, and the assignment and standardizing of NSNs, leads to better visibility and control of supplies while also decreasing prices and reducing downtime by enabling personnel to quickly identify, locate, and order parts or supplies. Creating NSNs helps to ensure spare parts are available throughout the system's life cycle. NSNs provide critical information like the item's manufacturer, dimensions, and cost. In addition, establishing an NSN provides life-cycle management of items of supply, from requisition to acquisition, maintenance, and disposal.

Finally, establishing NSNs:

- maximizes use of available spare parts by identifying items of supply that are interchangeable or substitutable;
- provides pricing information to customers;
- centralizes item information on all items managed within the DoD; and
- records multiple manufacturers on NSNs, which increases supportability and competition.

[16] We compared 28 of the 29 NSNs because one of the NSNs included incomplete information for analysis.

Parts Purchased Outside the DLA Supply Chain Were Not Reported

Tobyhanna personnel did not correctly submit DHAs to notify the DLA of 1,653 purchases of 1,197 parts (NSNs) that Tobyhanna purchased outside of the DLA supply chain (referred to as locally purchased parts). DHAs allow DoD Components to notify the DLA that there is demand for an item so that the DLA can add the demand information to an item's demand history and into the DLA's demand planning. According to DLA personnel, there is no specific policy or regulation on DHAs; however, the DLA will accept the DHAs as legitimate demands.

We obtained data for Tobyhanna's local purchases made between October 2018 and January 2020. Tobyhanna personnel made 1,657 local purchases to buy 1,201 DLA-managed NSNs outside of the DLA supply chain during that timeframe. For example, Tobyhanna might need a DLA-managed part to repair an item, but that part is not in stock to meet the Military Service's requirement in the requested timeframe.

According to Tobyhanna personnel, when a part is not available, or if the part were ordered and would not be received within the repair timeframe, Tobyhanna would purchase the part outside of the DLA supply chain using either a Government purchase card or through a contract awarded by the Army Contracting Command. We requested the DHAs submitted to the DLA during this same timeframe (between October 2018 and January 2020) from Tobyhanna; however, Tobyhanna personnel stated that they did not maintain records of the DHA transactions. Consequently, we requested from the DLA the DHA transactions that Tobyhanna submitted between October 2018 and January 2020. According to the DLA data, Tobyhanna submitted DHA transactions for only 4 of the 1,657 local purchase transactions, which accounted for 4 of the 1,201 NSNs. Therefore, there is no documentation showing that Tobyhanna personnel submitted DHA transactions for 1,197 of the 1,201 DLA-managed NSNs purchased outside of the DLA supply chain.[17]

Demand History Adjustments Were Reported Incorrectly

We notified Tobyhanna of the 1,653 local purchases of 1,197 NSNs (parts) for which the DLA did not have evidence showing that Tobyhanna submitted DHAs. Tobyhanna personnel determined that they used an incorrect identification number when they previously submitted the DHAs. Tobyhanna personnel stated that they used the National Item Identification Number (the last nine digits of an NSN). However, the DLA system requires the complete 13-digit NSN when submitting DHAs. Tobyhanna personnel told us that the DLA system must have

[17] Tobyhanna can submit a DHA for the same NSN purchased more than one time.

rejected the DHAs that Tobyhanna submitted because Tobyhanna used the National Item Identification Number instead of the NSN. Although submitting DHAs is not required, properly submitting DHAs helps the DLA plan and maintain sufficient inventories of supplies. Therefore, the Tobyhanna Army Depot Commander should establish procedures to ensure that depot personnel accurately process DHA transactions and report them in a timely manner to the DLA for all DLA-managed NSNs procured outside the DLA supply system.

Missed Opportunity to Improve DLA Forecasting

Because Tobyhanna did not correctly submit DHAs, the DLA did not capture all demands for DLA-managed NSNs that Tobyhanna purchased outside of the DLA supply chain. This lack of reporting NSNs impacts the demand history that the DLA relies on to forecast future demand as part of inventory and supply planning. Because Tobyhanna was not correctly submitting DHAs, the DLA was not aware of all the demand for the parts and could not forecast accurately to meet demand. Demand forecasting affects the DLA's inventory decisions, which can reduce lead times and potentially reduce costs.

Because Tobyhanna did not correctly submit DHAs, the DLA did not capture all demands for DLA-managed NSNs.

Recommendations, Management Comments, and Our Response

Recommendation 1

We recommend that the Commander of Army Communications-Electronics Command:

a. Evaluate the implementation of the corrective actions for long lead items and the Commanders' Critical Information Requirements, determine whether these corrective actions resolved the challenges identified, and if the corrective actions do not resolve the challenges to parts availability, make appropriate adjustments to the actions taken.

Army Communications-Electronics Command Comments

The U.S. Army Deputy Chief of Staff, G-4, responding for the CECOM Commander, agreed with the recommendation and stated that CECOM established corrective action plans to improve parts availability with an emphasis on a proactive review of the repair bill of material process (a list of all of the parts needed for the repair). The Deputy stated that implementing these plans improved timeliness and workload accuracy. Additionally, the Deputy stated that CECOM officials validated workload accuracy prior to scheduling the repairs.

Our Response

Comments from the Deputy Chief of Staff addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once the Deputy Chief of Staff provides documentation of the implemented corrective actions showing the improvements in workload accuracy and timeliness attributable to long lead times for parts and the Commanders' Critical Information Requirements.

b. Evaluate the implementation of the corrective actions for improving parts availability for the Army-managed, the Defense Logistics Agency–managed, and inter-Service–managed parts, as well as accuracy of parts listings. In addition, determine whether these corrective actions resolved the challenges identified, and if resolved, incorporate into policy; if not resolved, make appropriate adjustments to the actions taken.

Army Communications-Electronics Command Comments

The U.S. Army Deputy Chief of Staff, G-4, responding for the CECOM Commander, agreed with the recommendation and stated that CECOM established the corrective action plan to improve inter-Service parts issues. In addition to the corrective action plan, the Deputy Chief of Staff identified senior leader reviews with inter-Service partners and quarterly reviews that officials use to address workload plans, parts, funding, and asset availability issues that may impact readiness. The Deputy Chief of Staff also explained that the AMC was rewriting the Depot Maintenance Inter-Service Support Agreements to set expectations and better define roles and responsibilities. The AMC planned to have the agreements completed in December 2020.

Our Response

Comments from the Deputy Chief of Staff addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once the Deputy Chief of Staff provides documentation of the implemented corrective actions showing the improvements in workload accuracy and timeliness attributable to the availability of parts and accuracy of parts listings.

c. Submit the 463 manufacturer parts that we identified as meeting the criteria for national stock number assignment to the Defense Logistics Agency Logistics Information Service for national stock number assignment.

Army Communications-Electronics Command Comments

The U.S. Army Deputy Chief of Staff, G-4, responding for the CECOM Commander, partially agreed with the recommendation and stated that CECOM enacted a corrective action plan that focused on converting manufacturer part numbers to NSNs. The Deputy Chief of Staff stated that CECOM personnel conducted a review of the 463 manufacturer parts and determined that a portion did not meet the criteria for conversion. The Deputy Chief of Staff stated that, as a result of this review, a streamlined process was developed and implemented to validate accuracy and execute these conversions.

Our Response

Comments from the Deputy Chief of Staff addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once the Deputy Chief of Staff provides documentation of CECOM's review of local purchases from October 1, 2018, through January 31, 2020, identifying manufacturer parts for conversion and CECOM's submission of the parts to the DLIS for NSN assignment.

d. Analyze transactions from February 1, 2020, through the present to identify additional manufacturer parts that meet the national stock number assignment criteria and submit those parts for national stock number assignment.

Army Communications-Electronics Command Comments

The U.S. Army Deputy Chief of Staff, G-4, responding for the CECOM Commander, agreed with the recommendation and stated that CECOM established and implemented corrective actions that identified additional manufacturer part numbers for conversion to NSNs.

Our Response

Comments from the Deputy Chief of Staff addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once the Deputy Chief of Staff provides documentation of the manufacturer part numbers identified for conversion from February 1, 2020, through the date we follow up on this recommendation, and of CECOM's submission of the parts to the DLIS for NSN assignment.

e. Establish a formal process or procedure for identifying and reporting parts that meet the national stock number assignment criteria and submitting those parts to the Defense Logistics Agency Logistics Information Service for national stock number assignment.

Army Communications-Electronics Command Comments

The U.S. Army Deputy Chief of Staff, G-4, responding for the CECOM Commander, agreed with the recommendation and stated that CECOM established a formal process for identifying and reporting parts that meet the NSN assignment criteria.

Our Response

Comments from the Deputy Chief of Staff addressed the specifics of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once the Deputy Chief of Staff provides us with the formalized process for identifying and reporting to the DLIS the parts that meet the NSN assignment criteria.

Recommendation 2

We recommend that the Commander of Tobyhanna Army Depot establish procedures to ensure that depot personnel accurately process demand history adjustment transactions and report them in a timely manner to the Defense Logistics Agency for all Defense Logistics Agency-managed national stock numbers procured outside the Defense Logistics Agency supply system.

Tobyhanna Army Depot Comments

The U.S. Army Deputy Chief of Staff, G-4, responding for the Commander of Tobyhanna Army Depot, agreed with the recommendation and stated that Tobyhanna established a process to capture and submit demand transactions to the DLA for NSNs procured outside of the DLA supply system. The Deputy Chief of Staff stated that Tobyhanna will review all demand history activity monthly, and submit the data to the DLA.

Our Response

Comments from the Deputy Chief of Staff addressed the specifics of the recommendation and Tobyhanna personnel provided the procedures to process DHA transactions to the DLA; therefore, the recommendation is closed.

Appendix

Scope and Methodology

We conducted this performance audit from November 2019 through October 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Site Visits and Interviews

We interviewed officials and conducted site visits at the following locations to identify parts availability challenges for C5ISR systems repaired at Tobyhanna:

- Tobyhanna Army Depot, Tobyhanna, Pennsylvania
- Army CECOM, Aberdeen, Maryland
- Air Force Life Cycle Management Center, Aerospace Dominance Enabler Division, Hill Air Force Base, Utah
- Air Force Sustainment Center, 415th Supply Chain Management Squadron, Hill Air Force Base

We interviewed DLA Land and Maritime officials to determine their efforts to address parts availability challenges experienced by Tobyhanna. We based our review around parts availability challenges related to long lead items, obsolescence, manufacturer parts, and DHAs.

Policy and Data Reviewed

We reviewed DoD, Army, and DLA policy and procedures. We also reviewed data for repair and overhaul and local purchases provided by Tobyhanna, and DHAs provided by the DLA.

Manufacturer Parts Eligible for NSN Assignment

We reviewed DoD Manual 4100.39 and AMC Policy Letter 17-04 to identify the requirements for requesting the conversion of a manufacturer part to an NSN. The policies require an NSN assignment for an item with two or more demands or requisitions recorded within a 180-day period. To verify that CECOM and Tobyhanna complied with these policies, we reviewed FY 2019 and 2020 purchases that Tobyhanna made outside of the DLA supply chain to identify manufacturer parts that met the requirements for NSN assignment.

NSNs Purchased Outside of the DLA Supply Chain and Reported to the DLA

We reviewed Tobyhanna NSN purchases outside of the DLA supply chain made between October 2018 and January 2020 as well as DHA transactions submitted from Tobyhanna to the DLA between October 2018 and January 2020. To determine whether Tobyhanna properly reported all local purchases of NSNs to the DLA, we compared those purchases to the DHA transactions.

Use of Computer-Processed Data

We used computer-processed data provided by the DLA, CECOM, and Tobyhanna. We used DLA records to determine whether the demand for NSNs purchased outside of the DLA supply chain were reported to the DLA. We used CECOM records to determine how many NSNs CECOM requested for manufacturer parts purchased outside of the DLA supply chain. We used Tobyhanna records to determine how many manufacturer parts qualified for conversion to an NSN, and whether Tobyhanna reported the demand of NSNs purchased outside of the DLA supply chain to the DLA. Although we did not validate these data, the use of these data would not change the conclusions of this report.

Prior Coverage

During the last 5 years, the Government Accountability Office (GAO) issued five reports discussing depot maintenance.

Unrestricted GAO reports can be accessed at http://www.gao.gov. Unrestricted DoD OIG reports can be accessed at http://www.dodig.mil/reports.html/.

GAO

Report No. GAO-20-401, "Military Depots: Army and Marine Corps Need to Improve Efforts to Address Challenges in Measuring Performance and Planning Maintenance Work," July 16 2020

> The GAO found that the Army reported that it met its goals for about 91 percent of the systems on which it planned to complete maintenance for its customers in FYs 2018 and 2019, but its key performance metric had some limitations. In addition, the Army experienced schedule changes to more than half of its planned maintenance work. The Army did not have guidance establishing time frames for depot customers to submit their needs during depot planning, resulting in millions of dollars in unplanned work. The AMC had not systematically analyzed why depot customers had changes, resulting

in incomplete information about causes and potential solutions. The GAO found that the Marine Corps had not yet included all its planned work in its baseline schedule for a key performance metric.

Report No. GAO-20-390, "Military Depots: The Navy Needs Improved Planning to Address Persistent Aircraft Maintenance Delays While Air Force Maintenance Has Generally Been Timely," June 23, 2020

The GAO found the Air Force generally had accurately planned for depot maintenance requirements for selected fixed-wing aircraft during FY 2014 through 2019, but the Navy had not. The GAO identified the following planning challenges that the Navy had not fully addressed:

- The Navy had not effectively used historical data to analyze turnaround time—total days planned for depot maintenance periods—and established accurate planning targets for aircraft maintenance packages.
- Navy depot planners did not have visibility into aircraft maintenance that is performed outside the depots by an operational unit or other maintenance facility—information critical to planning for the condition and depot maintenance needs of individual aircraft.
- The Navy did not yet have formal processes and related guidance for communication and coordination between depot stakeholders to inform maintenance requirements planning.

Report No. GAO-19-452, "Depot Maintenance: DoD Should Adopt a Metric That Provides Quality Information on Funded Unfinished Work," July 26, 2019

The GAO found that for FYs 2007 through 2018, the Navy, Marine Corps, and Air Force depots averaged less than 6 months of annual carryover worth $1.0 billion, $0.2 billion, and $1.9 billion, respectively. The Army depots averaged 10 months of annual carryover worth $4.3 billion. Reasons for unplanned carryover included issues with parts management, scope of work, and changing customer requirements.

Report No. GAO-17-82R, "Depot Maintenance: Executed Workload and Maintenance Operations at DoD Depots," February 3, 2017

The GAO found that the DoD, in accordance with DoD Instruction 4151.20, "Depot Maintenance Core Capabilities Determination Process," January 5, 2007, planned depot maintenance workloads by having Components report biennially to the Office of the Secretary of Defense on their core capability requirements and planned workload. However, the DoD did not consistently compare or report whether workload intended to sustain a core capability had been executed, because DoD Instruction 4151.20 did not require it to

do so. Additionally, while 10 U.S.C. § 2464, "Core Depot-Level Maintenance and Repair Capabilities," required the DoD to assign sufficient depot maintenance workload to the depots to sustain a core capability, it did not require the DoD to determine whether the assigned workload had been executed.

Report No. GAO-16-450, "Defense Inventory: Further Analysis and Enhanced Metrics Could Improve Service Supply and Depot Operations," June 9, 2016

The GAO found that the DoD, the DLA, and the Services had some internal efficiency measures, but they generally did not have metrics that would allow for more effective and efficient management of supply and maintenance operations. Specifically, the DoD, the Services, and the DLA had not adopted metrics on the accuracy of planning factors, such as the accuracy of part lists, or the costs created by backorders. Officials noted that accurate planning factors improve demand forecasts needed to minimize backorders and excess inventory. Without relevant metrics on cost and planning factors, the DoD, the DLA, and the Services will be unable to optimize supply and maintenance operations and may miss opportunities to improve the efficiency and effectiveness of depot maintenance.

Management Comments

U.S. Army Deputy Chief of Staff, G-4

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DEPARTMENT OF THE ARMY
OFFICE OF THE DEPUTY CHIEF OF STAFF, G-4
500 ARMY PENTAGON
WASHINGTON, DC 20310-0500

11 Dec 2020

DALO-MPS

MEMORANDUM FOR Department of Defense, Office of Inspector General, 4800 Mark Center Drive, Alexandria, VA 22350-1500

SUBJECT: U.S. Army Response to the Department of Defense Office of the Inspector General Draft Report: Audit of Depot-Level Reparable items at Tobyhanna Army Depot (Project No. D2020-D000RK-0031.000)

1. This is in response to the Department of Defense Office of the Inspector General Draft Report: Audit of the Depot-Level Reparable Items at Tobyhanna Army Depot (Project No. D2020-D000RK-0031.000), D, 30 October 2020.

2. The Army concurs with 1.a, 1.b., 1.d., and 1.e., and partially concurs with 1.c. We offer the following comments in response to the CECOM recommendations:

a. Recommendation 1.a: Evaluate the implementation of the corrective actions for long lead items and the Commanders' Critical Information Requirements, determine whether these corrective actions resolved the challenges identified, and if the corrective actions do not resolve the challenges to parts availability, make appropriate adjustments to the actions taken.

Comment: CECOM established corrective action plans (CAPs) to improve parts availability prior to the DoDIG findings. These corrective actions emphasize a proactive repair bill of material (RBOM) process to streamline and integrated processes. These processes will help ensure that Army executes depot closeouts in a timely manner, adjusts depot overhaul factors, and validates RBOM accuracy prior to building workloads in the Logistics Modernization Program (LMP).

b. Recommendation 1.b: Evaluate the implementation of the corrective actions for improving parts availability for the Army-managed, the Defense Logistics Agency-managed, and inter-Service-managed parts, as well as accuracy of parts listings. In addition, determine whether these corrective actions resolved the challenges identified, and if resolved, incorporate into policy; if not resolved, make appropriate adjustments to the actions taken.

Comment: CECOM established a CAP to improve Inter-Service parts issues and Senior leader reviews with CECOM Inter-Service partners prior to the publication of the

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U.S. Army Deputy Chief of Staff, G-4 (cont'd)

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DALO-MPS
SUBJECT: U.S. Army Response to the Department of Defense Office of the Inspector General Draft Report: Audit of Depot-Level Reparable items at Tobyhanna Army Depot (Project No. D2020-D000RK-0031.000)

DoDIG findings. CECOM also established quarterly reviews at the GO/SES level to address workload plans, parts, funding and asset availability issues that may impact readiness. Additionally, AMC is currently rewriting Depot Maintenance Inter-Service Support Agreements (DMISA) to level-set expectations and better define roles and responsibilities on everyone that is part of the process. The new agreements are scheduled for completion in December 2020.

c. Recommendation 1.c: Submit the 463 manufacturer parts that we identified as meeting the criteria for national stock number assignment to the Defense Logistics Agency Logistics Information Service for national stock number assignment.

Comment: The U.S. Army partially concurs with the recommendation and provides comment. CECOM established and initiated a CAP that focused on converting Manufacturer Part Number (MANP) to National Item Identification Number (NIIN) prior to the publication of the DoDIG findings. Upon further review of the 463 manufacturer parts identified for conversion, CECOM determined that a portion did not meet the criteria for conversion. As a result of this review, CECOM has developed and implemented a streamlined process to validate accuracy and execute these conversions.

d. Recommendation 1.d. Analyze transactions from February 1, 2020, through the present to identify additional manufacturer parts that meet the national stock number assignment criteria and submit those parts for national stock number assignment.

Comment: CECOM has established and implemented corrective action that identified additional MANPs for conversion.

e. Recommendation 1.e. Establish a formal process or procedure for identifying and reporting parts that meet the national stock number assignment criteria and submitting those parts to the Defense Logistics Agency Logistics Information Service for national stock number assignment.

Comment: CECOM had established a formal process for identifying and reporting parts that meet the NSN assignment criteria prior to the DoDIG findings release.

3. The Army concurs with the recommendation to the Tobyhanna Army Depot and offers the following comment:

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U.S. Army Deputy Chief of Staff, G-4 (cont'd)

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DALO-MPS
SUBJECT: U.S. Army Response to the Department of Defense Office of the Inspector General Draft Report: Audit of Depot-Level Reparable Items at Tobyhanna Army Depot (Project No. D2020-D000RK-0031.000)

Recommendation 2: We recommend that the Commander, Tobyhanna Army Depot establish procedures to ensure that depot personnel timely and accurately process demand history adjustment transactions to the Defense Logistics Agency for all Defense Logistics Agency-managed national stock numbers procured outside the Defense Logistics Agency supply system.

Comment: Tobyhanna Army Depot has established a process to capture demand transactions and transmit this data to DLA for NSN items procured outside of the DLA supply system prior to the DoDIG findings release. Additionally, TYAD will conduct monthly demand history reviews to identify future instances of NSN items being procured from outside the DLA supply system, for submission to DLA.

4. The point of contact is [redacted] at [redacted], [redacted].

DUANE A. GAMBLE
Lieutenant General, GS
Deputy Chief of Staff, G-4

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Acronyms and Abbreviations

AMC	Army Materiel Command
C5ISR	Command, Control, Computers, Communications, Cyber, Intelligence, Surveillance, and Reconnaissance
CECOM	Communications-Electronics Command
DHA	Demand History Adjustment
DLA	Defense Logistics Agency
DLIS	Defense Logistics Agency Logistics Information Service
NSN	National Stock Number

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