

POLICY/PROCEDURE FOR CONCURRENT SPARE PARTS (CSP)

1. CSP lines, LOA Development:

a. All FMS cases offering major end items will be prepared using a "Total Package Approach" (TPA). In accordance with Security Assistance policy and guidance, when a FMS customer submits a Letter of Request (LOR) for equipment, the TPA must be utilized to ensure that the customer obtains all the necessary support items, services and training required to operate, maintain and sustain a major end item or system. It is important that the DA FORM 5904-R, TPA Checklist, be completed by the Security Assistance Office (SAO) in country and the Command Case Manager (COCM) and forwarded to USASAC with the LOR so that the U.S. Army Major Subordinate Command (MSC) writing the case can prepare a complete and accurate Letter of Offer/Acceptance (LOA) for the equipment the customer is requesting.

b. Part of the support package is the Concurrent Spare Parts (CSP). The CSP consists of the spare/repair parts that should give the customer the ability to keep their vehicles "up and running" while they establish their follow-on support for the system.

c. During the development of the LOA, the MSC should include their best estimate of CSP costs for a one year time period, unless the customer has requested something different (2 years, no CSP, etc). The MSCs may develop the CSP cost estimates based upon CSP Proofs, previous CSP list costs for the same end item (if available and adjusted for density changes), or a cost based upon taking a percentage of the end item unit cost (15%), or other methodology, whichever is most likely to provide the most accurate estimate. The lead-time for CSP delivery should be reflected as 24 months, unless there is a known delivery schedule.

d. The final USG recommended CSP list should not be developed/individualized to the customer until the case has been accepted, and ideally, the FMS customer has completed and submitted the CSP Checklist (USASAC Form 12-8) to USASAC. This will ensure the correct quantity and configuration of end items is being considered, the most up-to-date listing of parts is available, with associated prices, and that resources are not expended needlessly due to changes to the vehicle configuration or quantities prior to case implementation, revisions of the LOA, or declination of the LOA by the customer.

e. Critical high dollar items such as engines and transmissions, which are not normally expected to fail within a one-year timeframe, should not be included on a CSP list, but offered on a separate case line/subline, giving the customer the opportunity to determine whether the purchase of those items will fit their budget and maintenance philosophy. Exceptions to this high dollar limit may be

made for those high dollar items which have been shown through demand/usage data to be likely to fail within the first year of usage.

f. The LOA will include the appropriate footnotes explaining when the customer should submit the CSP Checklist, and when they will receive the tailored CSP listing for their review.

g. Depending upon the complexity of the program, end items or the support required, the MSC may determine that a case funded line should be included on the LOA. This is especially applicable for large programs with several different end items. The MSC must provide a detailed cost estimate to USASAC and obtain approval prior to including this line on the LOA. Normally, a case funded line will not be included on an FMS case just for development of CSP line, but in the rare instance where this would be appropriate, the MSC needs to identify in detail the aspects that make this effort extraordinary, over and above what would be considered "FMS Administrative" support.

Even if the case already has a PML included for other services or costs, any extraordinary costs for CSP development should be charged to a case funded line.

An example of an extraordinary cost to be charged to the case funded line would be a provisioning meeting between US experts and country representatives, or contracting with AMSAA for development of a SESAME program CSP support list.

2. CSP listings, LOA ACCEPTANCE/IMPLEMENTATION

a. When the customer accepts the LOA, they should complete and submit the CSP Checklist (USASAC Form 12-8). The completed checklist will be the basis for the development of the CSP list, whether the customer desires to have just the essential items, or everything to include common hardware such as nuts and bolts, or something in between. It will also provide the MSC with pertinent information about the customer's maintenance and supply structure and philosophy, to assist in tailoring of the CSP listing to meet each customer's individual needs. In their CSP Checklist response, the customer may identify repair items that are not available locally that should be included in the CSP support list, even if they are considered non-essential items (such as non-metric hardware items, or items that must meet certain safety requirements, such as for aircraft).

b. The Security Assistance Officer (SAO) in country will facilitate the preparation and submission of the CSP checklist. If a CSP checklist is not provided by the customer or the SAO, the MSC and USASAC will make every effort to obtain a completed checklist from the customer or SAO.

c. Upon case acceptance the MSC should immediately begin development of the CSP list, with or without the completed CSP checklist. Within 30 calendar days of case implementation, the MSC will submit the tailored final CSP list to USASAC-NC, with notification to the USASAC CPM. If the FMS case requires an amendment based upon additional costs, the MSC will inform USASAC. USASAC will either direct the MSC to reduce the support package to remain within the funding available on the case, or will notify the customer that either deletions to the CSP list are required, or an amendment is needed. Within 60 calendar days after case implementation, USASAC will furnish the CSP listing to the customer for their review, with a 60-day suspense date, unless the customer has indicated on the CSP Checklist or in other communications, that they do not wish to review the CSP list. If the list is forwarded to customer for review, and the customer does not advise USASAC within the 60 day review period that list is acceptable or requires changes, the CCM will initiate a follow-up to customer requesting a response. USASAC will not unilaterally initiate CSP requisitions without a customer review of the CSP list or waiver of the required review.

d. The CSP is the list of repair parts/components required to support a given density of equipment for one year (unless otherwise stipulated by the purchaser). The CSP list should primarily include those field level maintenance items which may typically fail within the first year because of normal usage and routine wear-and-tear, (e.g. hoses, belts, seals, bulbs). The list should also include those items which, according to the Preventative Maintenance Checks and Services (PMCS), have a mandatory, hard-time replacement interval (e.g. air filters, fuel filters, oil filters, etc.), as well as any other items the MSC determines would be appropriate, based upon US Army Authorized Stockage Listings, Demand history or other information. Each CSP listing should be tailored as much as possible to the specific customer's needs, based upon their current inventory, budget, in-country facilities and capabilities, maintenance and supply practices and philosophies, and present and future support plans.

e. SESAME (Selected Essential-Item Stock for Availability Method) is a CSP development program used by U. S. Army forces to develop spare parts support lists for US Government equipment. In special cases where the CSP support list for the end item is more complex than usual, the U.S. Army Materiel Systems and Analysis Activity (AMSAA) may be contracted to provide the customer a tailored SESAME support listing and this effort charged to a case funded line. If the customer desires a specially tailored CSP support list from SESAME that provides a selection of options for various levels of support, funding for the special list can be utilized with a case funded charge. The Army Major Subordinate Commands (MSC's) will not normally use the SESAME program to develop CSP lists due to the complexity of the program and the inability of SESAME to generate parts printouts for FMS cases without manual interventions. Automated files retrieved through the system at MSC's cannot be loaded into the SESAME program without manual conversions and SESAME

system printouts generated are missing data elements required for Army LMP (Logistics Modernization Program), so a great deal of time and effort may be required.

3. CSPs, LOA Execution

a. Upon receipt of the customer's concurrence with the CSP listing, or marked up/revised CSP listing, USASAC will initiate requisitions for CSP items.

b. If the end item lead-time is 6 months or less, CSP requisitions will be issued as soon as the MSC forwards the listing to USASAC. USASAC will provide a copy of the listing to the customer, and will make every effort to accommodate the customer's request should they desire cancellation of any CSP requisitions. The FMS LOA notes will advise that the customer will not have the opportunity to review the CSP list prior to requisition release.

c. At least 90 days prior to the shipment of the end item, the USASAC CCM will advise the MSCs of the percent of fill of CSPs, ask the MSC to review the unshipped CSP items, and advise USASAC of any potential negative impact to the customer due to not having those CSP items of support in country when end items are delivered. USASAC should notify the customer of the MSC's findings, and increase the priority of requisitions, or take any other actions available, to alleviate negative impacts. If 100% of the critical spares have not been delivered to country, USASAC and the MSC in consultation with the customer, will decide whether or not to ship the end item. If there are any storage costs involved when delaying the end item shipment, the customer will be advised and given the option to request immediate shipment of the end item.

d. USASAC and the MSCs should make every effort to discuss CSP shipments, percent of fill, and potential negative impacts at meetings with the customer, such as CMRs/PMRs.

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