

**DEPARTMENT OF THE NAVY**

NAVAL SEA SYSTEMS COMMAND, WASHINGTON NAVY YARD, DC 20376-4065  
NAVAL AIR SYSTEMS COMMAND, PATUXENT RIVER, MD 20670-1547  
NAVAL SUPPLY SYSTEMS COMMAND, MECHANICSBURG, PA 17055-0791  
SPACE AND NAVAL WARFARE SYSTEMS COMMAND, SAN DIEGO, CA 92110-3127

SPAWAR  
5400  
Ser 00/455  
31 Dec 03

NAVSUP  
5400  
Ser 00/  
18 Dec 03

NAVAIR  
5400  
Ser 00/  
19 Dec 03

NAVSEA  
5400  
Ser 00/095  
6 Jan 04

VIRTUAL SYSCOM MEMORANDUM OF AGREEMENT - VS-MOA-04  
AMONG  
NAVAL SEA SYSTEMS COMMAND,  
NAVAL AIR SYSTEMS COMMAND,  
NAVAL SUPPLY SYSTEMS COMMAND,  
AND  
SPACE AND NAVAL WARFARE SYSTEMS COMMAND

Subj: TRANSFER OF NAVSEA 2 COG MATERIAL MANAGEMENT TO NAVAL  
INVENTORY CONTROL POINT

Ref: (a) Virtual SYSCOM MOA, VS-MOA-01, of 24 May 02

1. Purpose. This memorandum provides agreement among the Commander, Naval Sea Systems Command (NAVSEA), and the Commander, Naval Supply Systems Command (NAVSUP), regarding the transfer of 2 Cog major end item management, currently performed by Naval Sea Logistics Center (NAVSEALOGCEN) and NAVSEA Headquarters personnel, to Naval Inventory Control Point - Mechanicsburg, PA (NAVICP-M). This action is taken in response to reference (a).

2. Scope. NAVICP-M will perform the functions previously accomplished by NAVSEALOGCEN east and west coast Material Representatives (MATREPs) and such management oversight work previously accomplished at the COMNAVSEA Headquarters level. Only the functions and work detailed herein are covered by this agreement.

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3. Agreement

a. Transfer of Function. NAVSEA and NAVICP-M agree that the transfer of MATREP responsibilities, as outlined herein, meets the Title 5, 351.203, definition of a Transfer of Function. The reimbursable end-strength and work years were transferred to NAVSUP under issue 68256 (2Z COG Warehouse Management), as part of the Program Budget Decision (PBD) 714. NAVICP-M agrees to perform this function with existing billets and to offer the three NAVSEALOGCEN MATREP civilian employees currently performing this work the opportunity to transfer with the function. The three employees are listed below and are located at duty stations in Barstow, CA, and Williamsburg, VA:

Mr. John Leonard  
Mr. Bobby Goodloe  
Mr. Earnest Garrett

Funding for field level 2 Cog material management will be provided to NAVICP-M from the NAVSEA Logistics, Maintenance and Industrial Operations Directorate (SEA 04) on a reimbursable basis.

b. Transfer of Work. NAVSEA and NAVICP-M also agree that the transfer of headquarters level responsibilities, as outlined herein, does not meet the title 5, 351.203, definition of a Transfer of Function but does represent a Transfer of Work. No NAVSEA Headquarters' billets will transfer with this work. NAVICP-M agrees to perform this additional work with current resources.

c. Personnel. The gaining and losing activities will work with their servicing civilian Human Resources Offices to ensure employees impacted by this agreement receive the benefits and rights to which they are entitled. Voluntary Separation Incentive Pay and Voluntary Early Retirement Authority will be requested and then offered as appropriate to reduce or eliminate the need for involuntary separations or reassignments outside of current commuting areas.

4. Changes. Any changes to this MOA will require a 30-day written notice by either party and will be in the form of jointly approved amendments.

5. Effective Date. The proposed effective date of this agreement will be 1 October 2003.

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6. Roles and Responsibilities. This MOA addresses the roles and relationships between NAVSEA and NAVICP-M regarding inventory management, headquarters' oversight and specialized warehouse control of NAVSEA's 2F, 2J and 2S Cog major end items maintained at designated Consolidated Stock Points (CSPs). The workload, as detailed in this document, will be undertaken solely in support of NAVSEA 2 Cog material management and is independent of the associated Inventory Manager (IM) functions already being accomplished by NAVICP-M.

a. NAVSEA. The Outfitting and Material Support Division (SEA 04L4), as NAVSEA's Requiring Financial Manager (RFM) for 2 Cog major end item management, retains responsibility for overall review of the acceptability of services being rendered by NAVICP-M under this MOA. These responsibilities include but are not limited to:

(1) 2 Cog Material Management at the CSP. Monitoring specialized warehouse control and management being rendered NAVSEA 2 Cog material by NAVICP-M to verify the satisfactory continuity of MATREP associated functions.

(2) General 2 Cog Program Management

(a) Overseeing NAVSEA 2 Cog Program Management execution by NAVICP-M. Participating, as necessary, in significant NAVICP-M briefings and conferences on 2 Cog issues requiring NAVSEA Headquarters attendance.

(b) Serving as a headquarters' Point of Contact (POC) for emergent Fleet matters related to NAVICP-M's management of NAVSEA 2 Cog major end items.

b. NAVICP-M. NAVICP-M, as the NAVSUP agent for SEA 04L4, is responsible for the specialized warehousing workload aspects of managing NAVSEA's 2 Cog major end item program. These responsibilities represent a Transfer of Functions previously performed by the NAVSEA MATREPs that include, but are not limited to:

(1) 2 Cog Material Management at CSP

(a) Serving as the POC for all field stock points regarding storage and inventory policy pertaining to designated NAVSEA 2 Cog systems and equipment.

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(b) Overseeing the daily operation of the two principal east and west coast NAVSEA 2 Cog CSPs.

(c) Visiting other smaller 2 Cog storage sites as necessary to assist in proper handling and maintenance of NAVSEA 2 Cog material.

(d) Assisting in the organization and execution of 2 Cog physical inventory audit plans at other storage sites as necessary.

(e) Keeping the Commanding Officer (CO)/Officer in Charge (OIC) at the CSP sites informed as to any special 2 Cog requirements and technical, warehousing, or management problems.

(f) Providing planning data to the CO/OIC of the CSP site for any required changes to 2 Cog storage requirements.

(g) Providing specialized technical direction to 2 Cog equipment specialist and supply technician personnel engaged in:

1. Screening new receipts, issuing correct material, and providing receipt documents for Transaction Item Reporting (TIR);

2. Identifying and preparing reports on missing parts, components, or subassemblies;

3. Receiving MILSTRIP referral documentation, generating issue documents with correct data to include serial numbers, and turning over the material and issue document for shipment and TIR reporting;

4. Participating in sight validation of equipment at the CSP or other stocking activities, as necessary, during physical inventory audits and during the issue of serial number controlled items; and

5. Performing authorized cannibalization actions that are within the capability of technical knowledge and available hand tools.

(h) Supporting NAVSEA program managers and NAVICP-M IMs of NAVSEA 2 Cog material in miscellaneous warehousing, stocking, issuing, cannibalization, and repairable program actions.

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(i) Serial Number Control and Reporting. Most 2 Cog material is issue restricted. This requires that control and reporting be accomplished for individual units. Using serial or registry numbers satisfies this requirement for unit level control and reporting. The serial numbers of units under issue restriction will be locally recorded and updated at CSP until issue takes place. When a physical inventory of NAVSEA 2 Cog material is accomplished, per NAVSUP Publication 723 (Navy Inventory Integrity Procedures), a copy of the report listing serial numbers will be forwarded to the NAVICP-M IMs of 2 Cog material.

(2) General 2 Cog Program Management. The following program management tasks, previously undertaken at the NAVSEA Headquarters level, will now be performed by NAVICP-M. This transfer of workload includes, but is not limited to:

(a) Supply System Inventory Report (SSIR). Per DoD Regulation 4140.1-R, an annual SSIR is required. NAVSUP is responsible for consolidating Navy field inputs into a single comprehensive SSIR. NAVICP-M (058), on behalf of NAVSEA, will provide a SSIR feeder report to NAVSUP annually, with data as of 30 September, documenting the dollar value of 2F, 2J and 2S Cog wholesale (supply system) assets. Prior to the submission of the SSIR, NAVICP-M (014) will provide NAVSUP (132) the Material Financial Control System (MFCS) Trial Balance for non-Navy Working Capital Fund (Appropriation Purchases Account) assets and NAVSUP (132) will furnish NAVICP-M (058) the Financial Inventory Record (FIR) data for 2 Cog material as of 30 September. Any significant differences between NAVICP's raw SSIR inventory totals and the FIR totals furnished by NAVSUP must be reconciled prior to preparation and submission of the smooth SSIR by NAVICP-M.

(b) Program Reviews for 2 Cog Material. NAVICP-M will hold and chair Program Reviews, as required, to discuss and resolve current issues. Typically these meetings are conducted on a major system or program basis. Attendees may include personnel from the Program Office, personnel from the In-Service Engineering Activity, the IM, and personnel from CSP.

(c) Stock Transfer Reviews. Stock Transfer Reviews and subsequent transfers will be performed following NAVSUP Instruction 4440.172 (latest revision). NAVICP-M will conduct annual Stock Transfer Reviews to determine candidates for transfer, either from designation as a NAVSEA 2F, 2J or 2S Cog item to an ICP Cog item or, less frequently, from an ICP Cog

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back to a 2 Cog. Interested Program Offices will be invited. The overall intent is to transfer those NSNs that no longer meet 2 Cog retention criteria. Reverse migration will be accomplished, as needed, based on the same criteria.

(d) Data Collection Instrument (DCI) Principal End Item Input. NAVICP will respond to the Assistant Secretary of the Navy (Financial Management and Comptroller) Financial Management Office (FMO) quarterly financial budget call by entering 2 Cog inventory and transaction history data into the Principal End Item category of Operating Materials and Supplies on the FMO web page.

For the Virtual SYSCOM:



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