

BULLET BACKGROUND PAPER

ON

PRIME VENDOR (PV) IMPLEMENTATION STATUS

PURPOSE

To provide an update on PV implementation status

DISCUSSION

-Program has been implemented within ACC, AETC, AFMC, AFSPC, AMC, and PACAF

-Bases should expect to pay surcharge of between 5 and 20 percent for the services provided by the PV program. Potential benefits that have already been experienced:

- Customers endure less bureaucratic paperwork processes
- Crafts workers stay on task vice chasing parts downtown with the IMPAC card
- Shops schedule maintenance and repair work without interruption because required parts are available when and where required
- No need to keep extensive International Merchant Purchase Card (IMPAC) records since the payment function is via inter-service billing procedure by DLA
- PV provides customers the specific part required rather than accepting an "or equal" or substitute item
- Customers are not required to submit a special letter of additional justification for sole source or brand name to order a specific part or obtain an item
- Potential reduction of warehousing of assets since items are more readily available and delivery could be made a just-in-time process to work site if required

-FY 2000 program sales exceeded \$45M

-Osan and Kunsan AB, ROK implemented new vendor in Apr 01

-Red Horse units are considering program since PV will deliver to job sites around the world but need to be careful that they do not already have support provided by COCESS contract

-COCESS bases are excluded from using PV while contract is in place

--Cost/benefit analysis is required prior to change in contracting method or conversion to the PV
– bases must contact AFCESA/CEOM prior to indicating conversion intent to COCESS contractor

- HQ AFCESA web site Logistics page contains implementation instructions intended for use by bases when participating in program

