



DEPARTMENT OF THE NAVY  
OFFICE OF THE CHIEF OF NAVAL OPERATIONS  
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OPNAVINST 4441.13B  
N4  
23 Jul 2012

OPNAV INSTRUCTION 4441.13B

From: Chief of Naval Operations

Subj: APPROVAL AND FUNDING FOR SHORE-BASED RETAIL ALLOWANCES

Ref: (a) OPNAVINST 4000.57G  
(b) OPNAVINST 4441.12D

1. Purpose. To issue policy guidance on the various shore-based retail allowances and the spare parts and funding requirements associated with each.
2. Cancellation. OPNAVINST 4441.13A.
3. Applicability. This instruction applies to all Navy shore activities and Marine Corps air stations with the exception of Trident activities governed by reference (a), Navy Working Capital Fund (NWCF)-depot maintenance activities, and activities funded by military construction supervision, inspection, and overhead.
4. Background
  - a. Shore-based allowances provide retail level protection in support of a wide range of Navy operational, industrial, and training activities. These allowances provide fixed or variable protection levels and are published by Naval Supply Systems Command (NAVSUPSYSCOM) Weapon System Support (WSS) (NAVSUP WSS).
  - b. In the past, some shore activities developed their own allowance lists based on subjective criteria and requisitioned the associated spare parts with user operating funds. In many cases, the supply support provided by the unofficial allowances resulted in the unplanned and un-programmed drawdown of supply system inventory that had been procured for other purposes, such as the re-supply of deployed fleet units. This instruction is issued to prevent this type of situation, as well as provide a comprehensive framework for the establishment and maintenance of shore-based allowances.

5. Policy

a. As listed in reference (b), the following types of shore-based retail allowances are authorized:

(1) Shore-Based Aviation Consolidated Allowance List (SHORCAL). A consolidated listing of components, repair parts, consumable items, depot level repairable (DLR) and field level repairable (FLR) items required to support planned operational and maintenance missions at designated naval and Marine Corps air stations.

(2) Operational Support Inventory Stockage List (OSISL). Supplements the equipment configuration of surface ships and submarines. OSISL products may include special projects, which provide tailored supply management of specific activities for a defined geographical area or specific customer group. NAVSUP WSS coordinates special project requirements with applicable shore activities.

(3) Consolidated Shore-Based Allowance List (COSBAL). A consolidated listing of components, repair parts, consumable items, DLR, and FLR items required to support the organization-level maintenance of the equipment authorized for a shore activity.

(4) Shore Intermediate Maintenance Stock List (SIMSL). A consolidated listing of material tailored to provide allowances to intermediate level maintenance activities that supports their corrective and planned maintenance missions. These spare parts also support new equipment being installed or the backfit of improvements to currently installed equipment.

b. COSBALs and SIMSLs shall specify spare parts support for ordnance, electronics, hull and mechanical and electrical equipment for which allowance parts lists and allowance equipage lists have been established and provisioned for Navy support.

c. All systems and equipment maintained in the configuration data managers' database-open architecture (CDMD-OA) and Navy Enterprise Resource Planning (Navy ERP) databases that are identified to a specific shore activity shall be supported by that activity's allowance product. This includes

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systems and equipment at intermediate level maintenance activities such as regional maintenance centers utilized in support of assigned units.

d. Office machines, personal computers, other commercial off-the-shelf equipment, and commercially supported equipment shall not be included in a shore-based retail allowance.

e. Establishment of a shore-based retail allowance inventory is prohibited without the approval of Commander, NAVSUPSYSCOM. Budget submitting offices (BSOs) are authorized to request new shore-based retail allowances and shall ensure the funds to requisition the inventory are available.

f. Requisitions for Navy cognizance material for initial shore-based retail allowances shall be centrally managed by NAVSUP WSS in a manner similar to the methodology used for planned program requirements.

g. If the activity holding the shore-based retail allowances performs NWCF accounting, the associated spare parts will be capitalized into the wholesale inventory once the supported equipment reaches its material support date (MSD). Accounting for this material shall utilize NWCF procedures.

h. Funding

(1) SHORCAL. SHORCAL initial outfitting is funded with the appropriate procurement appropriation and budget activity available to finance spares.

(2) OSISL. Generally, these allowances shall be funded via the NWCF, specifically:

(a) Material from Defense Logistics Agency, General Services Administration, and other Service material is funded and managed under the NWCF budget project (BP)-28.

(b) NAVSUP WSS Mechanicsburg-managed DLRs and FLRs are funded by NWCF under BP-81.

(c) OSISL may include special projects, such as forward positioning using incremental readiness based sparing or

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multi-echelon sparing, which will be funded using the appropriate procurement appropriation and budget activity to finance spares.

(3) COSBAL and SIMSL

(a) Initial establishment of an activity's COSBAL and SIMSL requires coordination well in advance to ensure funding for the associated spare parts requirements. Funding must first be programmed in the program objective memorandum (POM) process by the Office of the Chief of Naval Operations (OPNAV) resource sponsor, budgeted by the BSO, and funded by congressional appropriation. Because initial outfitting requirements are considered investment costs, funds will be programmed in the appropriate procurement appropriation and budget activity to finance official spares allowances. Funding is dependent on individual weapon system planning and programming.

1. If the equipment to be supported by a new COSBAL and SIMSL product has yet to reach its MSD, the associated spare parts will be funded by the hardware systems command (HSC) in the appropriate procurement appropriation and treated as interim spares.

2. For post-MSD equipment, the NWCF will be utilized to buy-in the spare parts listed in the new COSBAL and SIMSL product. This material will be bought-out by the appropriate procurement appropriation and budget activity to finance spares (e.g., Other Procurement, Navy (Budget Activity 8 (OPN-8))).

3. In either case, the BSO shall provide appropriate procurement funds to the requesting activity to requisition the spares from the supply system.

(b) After establishing an activity's shore-based allowance product, spare parts support for new equipment installations resulting from major configuration changes, or range and depth changes for existing equipment will be funded with the appropriate procurement appropriation and budget activity depending on the equipment's MSD.

(c) Allowance Changes

1. Demand-based allowance changes to existing equipment which occur pre-MSD will be purchased using the appropriate procurement appropriation and the additional interim spares provided to the end use activity as "free issue."

2. Demand-based allowance changes to existing equipment which occur post-MSD will be bought in by the NWCF and bought out by the designated spares appropriated account.

(d) Replenishment of spare parts for activities with shore-based allowances shall be funded by the NWCF for all NWCF-held inventory and by the Operations and Maintenance, Navy appropriation for all end use-owned inventory.

(e) The range and depth of the shore-based retail allowance product will be established to meet the supply performance goals of reference (b).

6. Responsibilities (Initial Establishment of a Shore-Based Allowance Product for Existing Equipment)

a. BSO

(1) Submit shore-based allowance product requirements developed through accredited sparing models for assessment and validation through the existing Baseline Assessment Memorandum process.

(2) Budget validated shore-based allowance product requirements for installed equipment per POM and budget policies, procedures and guidance.

(3) Prioritize shore-based allowance product requirements within its purview.

b. OPNAV Resource Sponsor. Program funds in the appropriate procurement appropriation for shore-based sparing requirements into the POM.

7. Responsibilities (New Equipment Installations - Shore-Based Allowance Product)

a. HSC. HSC has inventory management and technical oversight responsibility for all fielded spares allowances during the pre-MSD period. These sustainment functions include complete spares support and filling any backordered requisitions that exist at MSD.

b. NAVSUP WSS. Budget, fund, and execute the buy-in of outfitting spares requirements for shore-based allowance products, utilizing the NWCF for equipment installed on or after MSD.

c. BSO. Fund the subsequent buy-out of shore-based allowance product outfitting spares requirements from the NWCF for equipment installed on or after MSD. This relationship also holds for the follow-on outfitting of spare parts for a shore-based allowance product.

8. Responsibilities (General)

a. Director, Logistics Programs and Business Operations Division (OPNAV (N41)). Maintain approval authority for any exceptions to the policies issued in this instruction.

b. OPNAV Resource Sponsor. During the POM process, program funding for the initial spares, follow-on outfitting and replenishment spare parts requirements for shore-based allowance product supported equipment.

c. NAVSUPSYSCOM

(1) Implement procedures for Navy shore activities and Marine Corps air stations to facilitate accurate, timely configuration data in CDMD-OA and Navy ERP to facilitate the development of shore-based retail allowance products.

(2) Specify shore-based retail allowance product range and depth standards to meet the supply performance goals of reference (b).

(3) Coordinate and prioritize shore-based retail allowance product production workload.

(4) Develop and implement procedures for the deferred processing of requisitions for Navy cognizance shore-based allowance material.

(5) Fund the replenishment, maintenance, and demand-based allowance changes of shore-based retail allowance products for those accounting activities that maintain authorized shore-based retail allowance products through the NWCF.

(6) Approve the establishment of all shore-based retail allowance inventories.

d. BSO

(1) For end use accounting activities, budget operating funds to replenish stock or to requisition demand-based allowance increases for post-MSD equipment. In addition, budget the outfitting funds for new spare parts requirements resulting from configuration changes or new provisioning to existing equipment.

(2) For NWCF accounting activities, budget the outfitting funds for new spare parts requirements resulting from configuration changes or the new provisioning to existing equipment.

(3) Prescribe end use accounting procedures to be used by subordinate activities.

(4) Develop procedures implementing these policies.

9. Records Management. Records created as a result of this instruction, regardless of media or format, shall be managed per Secretary of the Navy Manual 5210.1 of January 2012.



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