

CHAPTER 3

STORAGE MANAGEMENT POLICIES AND GENERAL PROCEDURES

3-1. Acquisition and Allocation of Storage Space

a. Storage space is considered as open or covered as follows:

(1) “Covered” or “closed” includes warehouses (heated, unheated or with controlled humidity), vaults, sheds, tanks, igloos, magazines and similar structures.

(2) “Open” includes improved (paved), semi-improved (soil stabilized), and unimproved.

b. DNSC will select sites for the storage of commodities prior to their acquisition. Site selection shall be based on a complete analysis of space availability and cost, environmental considerations, transportation costs, proximity to producers and consumers, site preparation costs and security requirements.

c. Wherever possible, space requirements shall be filled in by the following utilization sequence:

(1) DNSC-controlled space.

(2) DoD installations and other federally owned space.

(3) Plantsite and other commercially leased.

d. Acquisition of various types of space shall be accomplished as follows:

(1) *Federal Space*. Requests for space shall be prepared and submitted by the DNSC-O to the appropriate General Services Administration Regional Assignment and Utilization Branch office under 41 CFR 101-17-Assignment of Space.

(2) DNSC is responsible for arranging for the use of new space at DoD installations under the DNSC/DoD Cross-Service Storage Agreement. DNSC-O shall be notified when new DoD space is secured.

(3) *Plantsite and Other Leases*. The Directorate of Stockpile Contracts (DNSC-C) is responsible for negotiating leases for new space. DNSC-O shall provide DNSC-C with a detailed description of the space requirements and shall assist in the lease negotiations as appropriate.

3-2. National Stockpile Purchase Specifications and Special Instructions

a. National Stockpile purchase specifications are prepared and issued by the Department of Commerce with approval of Defense National Stockpile Center, DNSC-O.

(1) These specifications cover the form and quality satisfactory for stockpiling and industrial use for each commodity.

(2) Besides being the basic procurement specification, the salient features of each specification are used in the preparation of Storage Instructions for Individual Commodities contained in appendix 4-A.

(3) Purchase specifications usually contain the following information for each commodity:

- (a) Description
- (b) Chemical Requirements
- (c) Physical Requirements
- (d) Sampling, Inspection, and Testing Specifications
- (e) Packaging Specifications
- (f) Marking Instructions
- (g) Document Identification
- (h) Shipping and Handling Instructions.

b. National Stockpile special instructions are also issued by the above Department of Commerce (DOC) with approval of DNSC-O, and supplement the purchase specifications.

(1) These instructions provide direction, guidance, and information to DNSC relating to the following:

(a) Quality of material which would be acquired under future procurement authorization.

(b) Quality of material which may be acquired by surplus transfer from other Government agencies to fulfill inventory goal deficits.

(c) Procedures of sampling, inspection, and testing.

(d) Special recordkeeping consistent with emergency planning for the continuity of Government.

(e) Refining, processing, or beneficiation.

(f) Standards and formulas for crediting forms and grades of material to goals and presentation of data in inventory records.

(g) Packaging, marking, identification, shipping, storage, segregation, rotation, and precautions (in brief) including special authorities for repackaging.

2) Information from these instructions may also be found in the Instructions for Individual Commodities in appendix 4-A.

3-3. Physical Inventory Requirements

a. To facilitate the taking of a physical inventory at any time by count and computation the same number of:

(1) Bags shall be placed in each box pallet except when an odd number of bags in the top box pallet of a stack of uniform height will complete the lot. Thereafter, the pallets shall be block stacked in uniform rows and to a uniform height. In doing so, economical use of space must be given full consideration and segregation requirements must be met. Each block stack shall have a placard indicating the number of bags in each box pallet in the stack.

(2) Drums barrels or kegs shall be stored in uniform rows and tiers so as to facilitate the taking of an inventory at any time by counting the rows and tiers and computing the total quantity. In doing this, however, economical use of space must be given full consideration and all segregation and other requirements must be met. When pallets are used, a uniform number of drums, barrels, or kegs shall be placed on each pallet, except when an odd number on the top pallet of a stack of uniform height will complete the lot.

(3) Boxes shall be stored on base floor pallets in uniform rows and number of tiers so as to facilitate the taking of an inventory at any time by a physical count and computation. If pallets are used between tiers, a uniform number of boxes shall be placed on each pallet, except when an odd number on the top pallet of a stack of uniform height will complete the lot. In doing this, economical use of space must be given full consideration and all segregation requirements must be met. Metals, whether in the form of ingots, pigs, slabs, or sheets, must be stored in uniform rows and tiers so that an inventory may be taken at any time by count and computation. Storage shall be accomplished by placing an equal number of units in shipping size lifts. Care shall be exercised to maintain stack stability.

b. Physical inventories may originate from many sources.

c. Whenever a discrepancy beyond acceptable tolerances indicated for the particular commodity is discovered, the procedure contained in app. 4-C is to be followed for inventory adjustments.

3-4. Forms and Records

a. **Forms**

(1) DNSC activities can requisition forms through normal channels. DoD activities should request forms from DNSC-R only if automated forms are unavailable at the local level.

b. Destruction of Records

(1) Records maintained at storage locations documenting receipts, storage and shipments of stockpile materials such as DNSC Form 46, Inventory Record Card; DNSC Form 42, Receiving Report; and DNSC Form 43, Outbound Storage Report, may be destroyed 5 years after all stored material of like kind or grade has been shipped out, and an additional 90 days after notice has been furnished to DNSC-O that the records are to be destroyed, and only after DNSC-O has approved the destruction.

(2) Records maintained at storage locations covering the transportation of materials including memorandum copies of bills of lading, and supporting shipping documents concerning freight classification, may not be retired and should be filed apart from material not specifically related to the shipping case file.

(a) Freight classification documents list articles involved in shipments, export certificates, transit records, and demurrage car record books.

(b) With the proliferation of lawsuits over the handling and transportation of environmentally hazardous materials, it is essential that records be retained for longer periods than previously required. NO DOCUMENT PERTAINING TO ANY HAZARDOUS STOCKPILE COMMODITY MAY BE DESTROYED WITHOUT THE WRITTEN PERMISSION OF THE ADMINISTRATOR, DEFENSE NATIONAL STOCKPILE CENTER.

3-5. Instructions for Preparation of the Automated Space Inventory Report

a. Submission

(1) Data will be reported through the Automated Space Inventory Report established on the Defense National Stockpile computer system. It is essential that data in this report be current and changes in tonnage and space usage should be updated as soon as possible after they occur. The following definitions and symbols are to be used to input data for this report.

b. Warehouse Space

(1) *Warehouse Number*. Identification number of the warehouse.

(2) *Section*. The number or letter of the section within the identified warehouse. The section should be identified as assigned or unassigned space, i.e., section B(A) meaning section B is assigned space or B(U) meaning section B is unassigned space. Note that all space at the Depots must be included whether it is assigned or unassigned.

(3) *Type*. Type of space within the section (e.g., vault, bin, security cage, etc. No notation is required for regular warehouse space).

(4) *Maximum Storage Height*. Height from the floor to 3 feet below the sprinkler heads, which is the general storage manual limitation on storage height.

(5) *Commodity*. Name of specific commodity.

- (6) *Quantity*. Amount of material stored in that section of the warehouse.
- (7) *Unit of Measure*. Short tons (ST), carats (Cts), pounds (Lbs), ounces (Ozs), long dry tons (LDT), etc.
- (8) *Storage Factor*. Occupied square feet divided by quantity. This column will be automatically calculated by the computer.
- (9) *Total Sq. Ft.* Wall to wall sq. ft. in the section.
- (10) *Usable Sq. Ft.* Total sq. ft. less support space, structural loss space and aisle space. For our purposes we have determined that this figure should be calculated as 80 percent of the total square footage unless there are specific warehouse conditions that dictate a deviation.
- (11) *Occupied Sq. Ft.* Footprint area occupied by commodity.
- (12) *Vacant Usable Sq. Ft.* Usable sq. ft. less occupied sq. ft.

c. Open Space

- (1) *Reference Location*. Pile No. /Pad No.
- (2) *Type*. Show one of the following:
- (a) Type "A" Graded and Drained Natural Soil
 - (b) Type "B" Granular Stabilized Area
 - (c) Type "C" Asphalt Cement Concrete (Black Top)
 - (d) Type "D" Portland Cement Concrete (Concrete)
 - (e) Type "E" Soil Cement
- (3) *Commodity*. Identify specific commodity.
- (4) *Quantity*. Amount of commodity.
- (5) *Unit of Measure*. Short tons (ST), long dry tons (LDT), etc.
- (6) *Total Sq. Ft.* Gross square footage.
- (7) *Occupied Sq. Ft.* Footprint area occupied by commodity.
- (8) *Vacant Sq. Ft.* Total sq. ft. less occupied sq. ft.

(9) Entries are to be made in all columns for each item listed. Enter a zero “0” where appropriate.

3-6. Inventory Records

a. Inventory Record Card, DNSC 46, app. 3-C, will be used to record all receipts, shipments, and balances of Stockpile material by program, commodity, grade, type, and lot or countermarks when required.

b. Standard accounting practices should be followed in the correction of all errors so that prior entries are visible for inspection. No erasures or “white-out” of records shall be made on the card after the initial posting. All postings are to be made in permanent ink.

c. DNSC commodity inspections require the verification of inventory records with physical counts and/or computations of the material together with an explanation of discrepancies.

d. No adjustments to stock record balances, except those resulting from receipts, shipments, or error in posting are to be made without specific written authorization of DNSC-O.

(1) Some inventory balances will not be adjusted until the material is totally shipped.

(2) In case of a theft, quantities will be authorized to be adjusted when a final report from an investigative body confirms the loss and unlikelihood of recovery.