

August 2001

EQUIPMENT UTILIZATION MANAGEMENT PLAN (EUMP) GUIDE

1. GENERAL

a. This guide prescribes the establishment of an equipment usage management program and directs the recording of equipment usage data. Usage standards serve as a yardstick valuable in measuring the effectiveness of investing resources in equipment. Recording usage data and comparing results with established standards gives insights to improvements in productivity and efficiency. Historical usage data allow informed management decisions.

b. The Army objective is to obtain optimum use and efficient management of equipment used by Tables of Distribution and Allowances (TDA) activities, to meet mission requirements with a minimum of equipment. The purpose of the EUMP is to prescribe usage standards for types of equipment not managed by other Army or DOD publications.

2. EXEMPTIONS

a. Activities are responsible for documenting equipment that is exempt from usage reporting. A memorandum for record approved and signed by the commander will be kept on file containing a list of exempt equipment. The following categories are generally exempt from meeting utilization tracking standards:

(1) Information Technology Equipment (ITE). This is covered by the AR 25-series.

(2) Government-furnished property (GFP). Contracts will include the requirement for the collection and recording of utilization data. The Federal Acquisition Regulation (FAR), Army FAR, and Defense FAR govern the usage of GFP. In accordance with FAR 45.509.2, contractors will accumulate data to provide visibility and the manner of use of all Government-owned property. Although contractor utilization control systems will vary in type and complexity, each type will provide certain basic management data that they must report in writing.

(3) Defense Logistics Agency (DLA)-controlled equipment. Although DLA-controlled equipment is exempt from usage collection and reporting, walk-through procedures will be used to evaluate the need for it.

(4) Equipment used in direct support of a research, development, test, and evaluation mission (RDTE). This equipment is exempt from usage collection and reporting. Walk-through procedures will be used to evaluate the need for it.

(5) One-of-a-kind-equipment. Utilization data collection for one-of-a-kind equipment is not required. One-of-a-kind is defined as being that one and only specific piece of equipment located in a district or MSC; not one per project site.

(6) Common Tables of Allowance (CTA) equipment. Equipment authorized by CTA, and costing less than \$10,000, does not require collecting of utilization data. This means that low-dollar-valued items (e.g., typewriters, calculators, desks, fans, etc.) are exempt from collection of utilization data.

(7) Installed equipment. Utilization data collection for installed equipment (such as generators and compressors that are part of a real property facility) is not required. The definition for this equipment is in paragraph 6-64 of AR 71-32. Do not collect utilization data on this equipment.

(8) Emergency and medical equipment. Equipment required to be on hand for emergencies, such as generators, compressors, wreckers, ambulances, fire trucks, etc., does not require utilization data collection. Retention for such equipment will be based on documented justification. An emergency is an unforeseen combination of circumstances or the resulting state that calls for immediate action. Examples of emergency equipment are a fire truck or ambulance for an installation without fire protection support or ambulance support. Do not gather utilization data on this equipment; however, need for these items should be periodically reviewed.

(9) Rail equipment. This equipment will be managed per AR 56-3, Objectives and Policy for Army Rail Equipment; Management of Army Rail Equipment.

(10) Aircraft. AR 71-32, Force Development and Documentation-Consolidated Policies, Appendix D, prescribes the usage of aircraft.

(11) Medical equipment. This equipment will be managed per AR 40-61, Medical Logistics, Policies and Procedures.

3. POLICIES

a. All districts, laboratories, and centers will prepare and follow an approved EUMP. This consists of the following:

(1) Establish minimum levels of use. Equipment below this level requires an analysis of need and retention justification. This does not apply to inactive plants and equipment retained for mobilization.

(2) Provide for recording actual use consistent with the established use levels.

(3) Require periodic analysis of need based on known requirements.

(4) Provide for prompt redistribution of all equipment not justified for retention.

b. Activities will:

(1) Acquire and retain optimum quantities of equipment to perform the assigned mission in the most cost effective manner.

(2) Promptly report any equipment, not justified for retention, for redistribution or excess disposition.

(3) Achieve maximum practical use of current installation or activity equipment resources, to include use of equipment and personnel resources of tenants, to accomplish or share functionally related workloads, whenever feasible.

(4) Rotate similar age equipment, with established economic life expectancies, to equalize mileage or usage during the established life expectancy of the equipment.

(5) Make practical use of rental, lease, and loan of equipment in lieu of ownership when operationally acceptable and economically feasible.

(6) Collect utilization data on seasonal equipment only when used. Any items used for the entire year, such as an agricultural tractor used with a snow plow during the winter and a grass cutter during the summer, are not seasonal equipment.

(7) Collect utilization data on all equipment in Appendix F of AR 71-32 and Table 1 that meets the requirement for utilization data collection. Do not include the equipment that is exempt as listed in this guide.

c. Offices may establish equipment pools, repair exchange activity (RXA), or hand receipt accounts for commonly used equipment to facilitate the exchange of repairable items to prevent unnecessary procurement and assure optimum usage. These methods may also be used to prevent procurement of equipment required for short time periods.

d. Do not collect utilization data on equipment used for Research and Development (R&D) missions. Use walk-through usage review procedures to evaluate the need for this equipment. These are those items directly involved in the R&D process. Equipment used for the purpose of supporting R&D is base support and utilization data should be collected.

4. PROCEDURES

a. Activities will record daily usage and availability data for all equipment, other than administrative-use and special purpose vehicles (including trailers), meeting the criteria for collection. Usage data will be recorded on ENG Form 3662, Administrative Vehicle Operational Record (ER 56-2-1), in the Facilities and Equipment Maintenance System, or on a locally produced form. General-use equipment listed, and similar to that listed, in AR 71-32, Appendix F (Tables F-1 through F-9), will be subject to usage standards. In addition, job-peculiar equipment, as identified by USACE, and listed in Table 1, and similar equipment, will also be

subject to the usage standards listed. Commanders may identify local reporting requirements and usage standards for additional equipment.

(1) Consolidated monthly usage and availability data will be recorded on a locally produced report. As a minimum, this report will include the following categories: date; nomenclature; registration or serial number; life expectancy; usage basis (to include minimum standard and objective standard); mileage; hours operated; days operated; computed percentage of use; and rating; along with the name, title and signature of the report preparer. The usage basis can be miles, hours, operational days, or some other basis.

(a) Each month, actual usage will be recorded and the percentage of use computed using appropriate formulas from AR 71-32, or locally devised formulas when days, hours, and miles are not the basis for usage.

(b) The percentage of use will be compared to the usage standard percentages listed in Table 1 to determine if equipment falls short, meets, or exceeds the applicable standard. One of the following ratings will be assigned: U - used less than the minimum; M - used the minimum, but less than the objective; or O - objective criteria achieved or exceeded.

(c) Floating plant property will be tracked to determine if it meets the standard of a minimum 45 days quarterly use. This includes general-use floating plant (and similar equipment) listed in AR 71-32, Appendix F (Table F-4, Watercraft), as well as job-peculiar floating plant (and similar equipment) listed in Table 1 (Equipment Category Code LH). This rule will also apply to all capitalized (in financial records) property that does not directly, indirectly or logically fall into any of the other property categories listed in Table 1. The miscellaneous category was created to ensure all applicable property would have an established standard as a usage goal to attain.

(2) At the end of each calendar quarter, a consolidated quarterly usage and availability report will be prepared in the same manner as monthly reports. After the three monthly reports have been consolidated into a quarterly report, the monthly reports may be destroyed. The current quarterly report and the preceding three quarterly reports will be maintained so that an analysis can be made of four consecutive quarterly reports during inspections and reviews. For quarterly reporting, use the following possible days per quarter:

(a) 1st Quarter (1 October through 31 December) = 92 possible days.

(b) 2nd Quarter (1 January through 31 March) = 90 possible days. (Add one day for a leap year.)

(c) 3rd Quarter (1 April through 30 June) = 91 possible days.

(d) 4th Quarter (1 July through 30 September) = 92 possible days.

(3) Copies of usage data collected will be submitted as part of justification when requesting additions of similar items to the CPAD/TDA.

5. WALK-THROUGH USAGE REVIEW PROCEDURES

a. The Equipment Usage Management Program is outlined in AR 71-32. A key aspect of this process is the walk-through review prescribed by AR 71-32, Appendix G. These reviews focus on assuring efficient and cost effective life cycle management and utilization of equipment and associated repair parts.

(1) Commanders will implement and conduct documented walk-through reviews with their PBOs or a designated equipment manager (EM) at least semiannually. When visiting field projects, commanders will conduct walk-through reviews with project management personnel and designated equipment coordinators to identify excess or underutilized equipment.

(2) The purpose of a walk-through is to assist the commander in evaluating the efficient use of all authorized equipment. Effective walk-throughs will enable the commander to pool underutilized equipment and turn-in equipment that is excess to mission needs.

(3) The PBO should plan the commander's walk-through usage review to include problem areas as well as exceptional areas of outstanding equipment utilization.

b. PBOs, as part of their CSDP responsibilities, will conduct and document PBO walk-throughs, at least monthly, to identify under-used equipment and plan the semi-annual (or more frequent) commander walk-through reviews. The amount of equipment reviewed each month may vary, but should add up to one hundred percent of equipment reviewed each six months.

(1) During the walk-through usage review, the PBO should look for the following:

(a) Proper use of equipment.

(b) Duplication of equipment.

(c) Proper maintenance of equipment to minimize downtime.

(d) Consolidation of equipment where like functions exist.

(e) Up-to-date calibration of equipment.

(f) Verify the requirement for equipment in standby storage, or currently not in use.

(g) Removal of excess equipment from the work area and preparation of turn-ins.

(h) Actions taken on recommendations from previous walk-through usage reviews.

(2) Review items having utilization below the established minimum standard and balance this information against the current and expected workload. Because a piece of

equipment was fully utilized in the past does not guarantee it will be in the future. Likewise, an item may need to be retained with low utilization to accommodate future workload.

(3) Do not retain equipment because there "might be a need for it". Base equipment requirements solely on demonstrated need determined by utilization records, project requirements, actual workload, and valid workload projections. All equipment requires maintenance and some requires calibration. These expenses will be incurred whether or not the equipment is used. The turn-in of unneeded equipment eliminates these expenses.

(4) Discuss types of equipment with the HRH. They may have a need for a totally different type of item, which could replace more than one item currently on hand.

c. Each commander's walk-through usage review will result in a report (retained for two years) identifying the scope of the review and including pertinent observations and recommendations. The report will include, as a minimum, those observations identified in AR 71-32, Appendix G. Written justification is required for retention of any under-used equipment identified as a result of the review. A sample report is at Appendix 1. The report should include the following, as a minimum:

(1) Name, position, organization, and phone number of the person(s) conducting the commander's walk-through usage review.

(2) Activities visited.

(3) Identification of excess items of equipment or equipment pooled as a result of the walk-through.

(4) List of specific items reviewed, with under-used equipment identified.

(5) Recommendations and remarks.

(6) Directed actions.

(7) Actions taken as a result of previous walk-throughs.

(8) Written justification for retaining under-used equipment.

d. Organizations with dispersed sites may designate equipment coordinators to perform the equipment management function at the site and report results to the designated equipment manager. However, periodic spot check reviews of these locations are still required to ensure quality assurance oversight.

(1) When this situation exists, the equipment coordinator has authorization to conduct monthly walk-through usage reviews in place of the EM.

(2) Equipment coordinators will provide the EM a written report of actions taken to correct discrepancies noted during the walk-through usage reviews. The EM and coordinator will file a copy of this report with the appropriate equipment walk-through.

e. The walk-through usage review team might also include the following:

(1) If in a contractor's area, the contracting officer's representative should accompany the group. A word of caution: **do not** directly tell the contractor to do anything. This could obligate the Government to pay additional monies.

(2) The installation safety officer may also accompany the team. If not, notify this individual if a safety issue exists.

f. Listed below are additional points to consider during the walk-through usage review:

(1) Be sure the equipment fits the job. A piece of equipment may show excellent usage, but may not be what the users really need. Make sure on-hand assets match the requirement.

(2) Many users obtain "state-of-the-art" equipment and, in many cases, retain the replaced equipment. This type of back up is rarely necessary.

(3) Verify items classified as "mission essential" and "one-of-a-kind". Check the utilization of mission essential equipment if two or more like items exist. Collect usage data on this equipment in order to support a request for an additional like-item.

(5) Watch for test equipment labeled "CALIBRATE BEFORE USE" (CBU) and "CALIBRATION NOT REQUIRED" (CNR). Verify that the calibration of equipment is current. An old CBU date may indicate lack of use. Equipment labeled CNR does not require a high level of accuracy. Find out the use of the item and determine whether a less expensive item can do the job. For assistance in this area, discuss the issues with the local TMDE support organization.

(6) Ensure excess equipment is removed from the work area and paperwork for the turn-in started.

(7) Verify action on recommendations found during a previous walk-through usage review has been taken.

(8) Check the maintenance condition of equipment. If it appears the equipment is not in good condition, there may be a maintenance problem or a lack of equipment usage. If there is a maintenance problem, find out why.

(9) Check for equipment located in areas that are out of the way, i.e., under tables, in cabinets, behind benches, etc. Question the need for a piece of equipment.

(10) Check for items that require bench mounting, etc. If this equipment is not being used, or not used properly, a lack of need is indicated.

(11) Be particularly alert in the Research, Development, Test and Evaluation (RDT&E) areas. There is a tendency to bypass proper authorization approvals.

(a) Watch for "nice to have items", without apparent need.

(b) There is a tendency to replace serviceable assets with new items, but not turn-in the old item.

(c) Project-procured equipment is not always turned-in after the project is complete.

(d) Watch for equipment transferred from one installation to another without the proper paperwork.

(12) Document a justification for retention of underused equipment identified as a result of the walk-through usage review. File this justification with the report.

TABLE 1**USACE Job-Peculiar Equipment Usage Tracking List with Standards**

Equip. Category Code	Federal Supply Class	Nomenclature	Usage Standard in days/Qtr or % (Minimum)	Usage Standard in % (Objective)
LH	1935	Crane or Derrick, Barge Mounted	45 Days/Qtr	N / A
Miscellaneous		Capitalized equipment not listed in this table (see ER 37-2-10, Chapter 1)	45 Days/Qtr	N / A
NB	3825	Distributor, Water, 1000 Gal and Above	10	25
NF	3805	Excavator	15	30
NJ	3820	Drill & Well Drill Support	20	30
NN	3895	Truck, Concrete Mixer	10	25
NN	3805	Truck, Dump, 20T	20	40
NV	3805	Compactor	10	25
NV	3895	Hammer, Pile Driven	15	25
PA	3950	Crane, Warehouse	20	35

PB	3930	Truck, Forklift, Electric, 4000 Lbs. And Above	15	25
PB	3930	Truck, Forklift, Gas, 4000 Lbs. and Above	25	50
PE	3930	Tractor, Warehouse	25	50
PG	3930	Truck, Forklift, Rough Terrain	25	50
PI	3930	Truck, Forklift, Diesel	25	50
QU	4210	Truck or Pump, Fire Fighting	10	20
SY	3825	Snow-blowers and Snowplows	10	20

APPENDIX 1
FORMAL REPORT

1. Enclosed is a sample report to use as a guide. The report should include the following as a minimum:

a. Name, position, organization, and telephone number of the person(s) conducting the walk-through usage review.

b. Activities visited.

c. A list of the specific items reviewed. Either list the items reviewed, or attach a copy of the Hand Receipt (HR). If the HR is used, highlight those items reviewed. Identify under-used equipment.

d. Identification of excess items of equipment or equipment pooled as a result of the walk-through.

e. Recommendations and remarks.

f. Directed actions. Prepare a memorandum to the HRH of any discrepancies noted during the walk-through usage review, requesting they take action to correct the deficiencies. Provide a suspense date of 30 days from the date of the memorandum. File the equipment list and the HRH response with the report. If necessary, send a follow-up memorandum requesting immediate reply to the corrective actions noted in the original memorandum.

g. Actions taken as a result of previous walk-through usage reviews.

h. Written justification for retaining under-used equipment.

2. The EM should sign the monthly walk-through usage reviews and the commander should sign the semi-annual walk-throughs.

3. At some later date, select some of the responses on file and check the completed actions.

4. Keep all copies of walk-through usage review reports, including any HRH responses to deficiencies, on file for 24 months.

S: 1 Aug 01

CEXX-XX (71-32)

1 Jul 01

MEMORANDUM FOR (Commander's Office Symbol)

SUBJECT: Equipment Manager's Monthly Walk-Through Usage Review

1. Purpose: To assist the commander in evaluating the efficient utilization of all assigned equipment, to pool underutilized equipment, and to turn-in equipment excess to the district's mission requirements.
2. Itinerary: Building 60, hand receipts 22, 44, 66, 88, and 110.
3. Date of Review: 1 Jul 01
4. Individuals Conducting the Review:
 - a. Mr. Jim Smith, Equipment Manager.
 - b. Mr. Jym Smyth, Equipment Specialist.
 - c. Ms. Gym Smithe, Hand Receipt Holder
5. General Remarks:
 - a. Housekeeping in all areas is satisfactory.
 - b. We reviewed 99 pieces of equipment.
 - c. We inspected eight items of test, measurement, and diagnostic equipment for condition and current calibration and found them satisfactorily maintained.
6. Equipment redistributed, pooled, and excessed is at the enclosure. We directed the Hand Receipt Holders (HRH) to prepare the necessary paperwork.
 - a. Two items redistributed at a cost of \$1,144.
 - b. Two items pooled costing \$1,049.
 - c. One item excessed costing \$15,800.

CEXX-XX

SUBJECT: Equipment Manager's Monthly Walk-Through Usage Review

7. Recommendations:

- a. The HRHs will provide, in writing, all directed actions by the above suspense date.
- b. We will review the actions by the HRH for completion, as part of the next walk-through usage review.
- c. This office will continue to strive for a more effective program.

Encl

JIM SMITH
Equipment Manager

ITEMS REVIEWED

<u>NOMENCLATURE</u>	<u>NSN</u>	<u>QTY</u>	<u>HR#</u>
Camera, Pentax	6720-00-X00-8012	15	45
Heater, Electric	4520-00-X02-4036	20	67
Accelerometer	6625-00-X01-7172	1	67
Oscilloscope	6650-00-999-2234	7	99
Truck, Forklift	3930-00-459-8878	25	106
Truck, Pallet	3930-00-998-0457	17	106

ITEMS REDISTRIBUTED

		<u>QTY</u>	<u>\$ COST</u>
Camera, Pentax	6720-00-X00-8012	1	184.00
Heater, Electric	4520-00-X02-4036	1	960.00
		2	1,144.00

ITEMS POOLED

		<u>QTY</u>	<u>\$ COST</u>
Accelerometer	6625-00-X01-7172	3	24.00
Oscilloscope	6650-00-999-2234	1	1,025.00
		4	1,049.00

ITEMS EXCESSED

		<u>QTY</u>	<u>\$ COST</u>
Truck, Pallet	3930-00-998-0457	1	15,800.00