



Issue 30

# ARMY ACQUISITION REFORM



9 August 1996



## REDUCED PRICE INITIATIVE (RPI) PRODUCES SAVINGS AT MICOM



MICOM has been a participant in the DA sponsored Reduced Price Initiative (RPI) Program since Jan 94. The intent of the RPI Program is to entice field units to buy new items at a reduced price rather than repair old items when multiple years of stock are on hand for the new items. The goals of the RPI Program are to reduce total Army inventory of long supply items; insure the overhead costs of selling long supply stocks are captured (surcharge); provide incentive to field Army to weigh benefits of a reduced buy versus local repair; and maximize shrinking OMA dollars. MICOM presently has 55 NSNs in the program. Sales for FY94 yielded \$239,025 with a cost savings of \$1.3M to the customer. FY95 sales yielded \$3.8M with a cost savings of \$15.5M. Sales for the first three quarter of FY96 have yielded \$2.4M. For additional information about the RPI Program contact Mr. Max McClellan, DSN 227-3122 or email: [mcclmc@hqda.army.mil](mailto:mcclmc@hqda.army.mil)



## MEDCOM SAVES BY USING THE IMPAC CARD



The MEDCOM Health Care Acquisition Activity (HCAA) strongly encourages use of the IMPAC credit card MEDCOM wide. The total number of cardholders has increased from 984, at the end of FY95, to 1779 through May 1996. Total dollar value of purchases made with the credit card has increased from a total of \$12.9M all of FY95 to \$31.7M through May 1996. Thus far in FY96, there has been approximately 63,000 transactions using the IMPAC credit card. Based on the recognized administrative cost of \$250 to issue a single purchase order, the MEDCOM HCAA and the Directorates of Contracting at Walter Reed Army Medical Center, Fitzsimons Army Medical Center and Fort Sam Houston, have realized a savings of approximately \$15.8 million in administrative costs.

Do you have an "ACQUISITION REFORM GOOD NEWS STORY?" Please submit your stories to the points of contact listed below for publication in future bulletins.



Questions? Contact LTC Hooks, (703) 697-2558, [hooksl@sarda.army.mil](mailto:hooksl@sarda.army.mil)  
or Ms. Dorine Miller, (703) 697-4382, [miller@sarda.army.mil](mailto:miller@sarda.army.mil)