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**THE PRICE CHALLENGE/ZERO
OVERPRICING MONITOR GUIDE**

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This pamphlet tells the Zero Overpricing Program (ZOP) Monitor how to process and respond to price challenges received; how to initiate action for awards through the Innovative Development through Employee Awareness (IDEA) program, when appropriate; and how to report results on the effectiveness of the program. The Price Challenge/Zero Overpricing Monitor Guide implements the various Pricing Programs regulations located in AFMAN 23-110, Volume 1, Part 1, Chapters 9, 16, 22, and 27; AFMAN 23-110, Volume 3, Part 1, Chapter 19; and AFMAN 23-110, Volume 7, Part 4. In the latter half of 1999, the revised Air Force Pricing Programs regulations will be published as a consolidation of information in AFMAN 23-110, Volume 7, Part 4 only.

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Chapter 1

PREFACE

1.1. Skilled, well-trained personnel is a quality concept on which the Air Force and the Air Force Material Command (AFMC) have come to rely. We have a commitment to service and training support. Our primary goal: To support the needs of our customers.

1.2. By educating the Zero Overpricing Program (ZOP) monitor in the areas of processing and other areas fundamental to the mission, we are better able to serve all our customer requirements.

1.3. Our mission is to support our customers through professional means. To better enable us to do this, we need an overall procedural method to keep current while anticipating future needs--a demanding role to say the least. This is not an educational program, but a means to provide meaningful information, structured for those unfamiliar with the program, and a quick reference for those who are more experienced but who may have been away from this particular area for a period of time.

Chapter 2

INTRODUCTION

- 2.1.** The successful training of the ZOP monitor and our customers depends upon accurate, timely identification of individual needs. This guide will walk you through the process of identifying and fulfilling ZOP duties and prepare you to respond to the challenge.
- 2.2.** This guide is for general information purposes and is not intended to implement official policy. It is distributed to monitors and their supervisory personnel.
- 2.3.** Please refer to the ZOP manual, AFMAN 23-110, Volume 7, PART 4, Air Force Pricing Programs.

Chapter 3

GUIDELINES

3.1. Your responsibility is to monitor and interpret the policies while evaluating data from the various sources of supply and, if necessary, to mediate problems with higher Headquarters, MAJCOMs, other services, the Defense Logistics Agency (DLA) and the General Services Administration (GSA).

3.2. As the focal point, the ZOP monitor provides a service as well as guidance, and serves as an arbitrator to other organizations pertaining to individual challenge decisions.

3.3. A list of references is provided to assist you with the ZOP. It is **your** responsibility to validate publications, manuals and handouts for currency with the Information Management Element of your organization.

3.4. STEP 1. VERIFY THE INFORMATION RECEIVED. It is your responsibility to verify that the AF Form 1046, Zero Overpricing Challenge/Referral, received has been correctly filled out, with as much information as possible. This information may be transmitted by letter, AF Form 1046, or electronic mail. **THIS IS IMPORTANT!** Logging in an AF Form 1046 is like filling out your checkbook record with only the name of the person to whom you wrote the check. Check all of the information blocks to enable you to adequately provide the Source of Supply (SOS) with the information they require.

3.5. STEP 2. ESTABLISH A FILE. Maintaining a logbook is vital. If not a logbook, maintain some type of record that has the ZOP number you have assigned to the challenge and the date the form was received by your office. Provide blocks that will give you status/action(s) taken, date of completion of the action, and date the challenge is closed, with or without award.

3.6. STEP 3. VERIFY INFORMATION/DATA ON AF FORM 1046. It is necessary for you to review the information on the AF Form 1046. This will let you catch those obvious errors. First you will need to interrogate FED LOG or the D043. (See attachment 16 for procedures for accessing the D043 system.) This will provide you with the Commercial And Government Entity (CAGE) code of the manufacturer; one or more should match block 7 of the AF Form 1046. Additionally, the products will provide you with the current unit price, the unit of issue, correct nomenclature, national stock number (NSN), and the part number (PN), if applicable. Review the documentation attached, or challenger's written identifying information.

3.6.1. Block 15 information is the most crucial (reason for overprice challenge). This area is most often where the challenger seems to get a little vague. But you will need to have as much information as possible. Your explanation to the SOS should encompass additional sources, suggested alternate(s), technical evidence, etc. If you do not provide adequate information, you will more than likely have the challenge returned from the SOS with a request for clarification or a more in-depth explanation of what the challenger wishes to convey. (See attachment 4 for an example.)

3.6.2. If, based on the information you have received from the challenger, or you have questions about the challenge, the data provided, etc., it is advisable to forward a letter to the challenger, requesting additional information/clarification. (See attachment 5 for an example). Why a letter, when a telephone call is so much simpler? If the challenge is accepted for an award, you should have

an excellent paper trail. When you request this information from the challenger, set up a suspense date, advisedly, no more than 60 days. At this point you have determined, based upon your NSN inquiry, the acquisition advice code (AAC) and the price validation code (PVC) and whether or not you should proceed.

3.6.3. If you find an obvious error that indicates an apparent overprice, you will make the necessary corrections, forward a letter to the challenger and close the case. (See attachment 9 for an example.)

3.7. STEP 4. AF FORM 1000, IDEA APPLICATION/TO HAVE SIGNED OR NOT. Please refer to AFMAN 23-110, Volume 7, Part 4 with respect to this area. Inquiry of the challenger as to his/her job status (current job location, retirement, change of duty station, etc.,) may determine whether or not you desire to have a signed form in file, or whether you may wish to wait until such time as the challenge has been approved. But, to save paper, and forms, you can have the form signed during the period you are waiting for annual demand criteria. This is normally one year from the date the challenge was successful, or the signature on the form can be requested from the challenger at a later date.

3.8. STEP 5. REQUEST REVIEW FROM THE SOURCE OF SUPPLY (SOS) ITEM MANAGEMENT SPECIALIST (IMS) OR CONTRACTING DIRECTORATE. Prepare your evaluation inquiry in the manner provided. See attachment 4 for an example. Again, be certain to give the SOS as much information as possible. Suspense your letter not to exceed (NTE) 60 days. Most SOS personnel will return an acknowledgment letter, with a statement that they will provide you an answer within a 90-day period. (See attachment 7 for an example.) This will enable you to provide the challenger with the same date. (NOTE: This will keep you from having to telephone the challenger with a date of an anticipated answer from the SOS. More likely than not, you will become familiar with the individuals at the SOS and a telephone call before you send a follow-up letter to prompt response to the original suspense date. But, you may have to send a follow-up letter. (See attachment 6 for an example.) *The key here is to provide the SOS with information-plus.*

3.9. STEP 6. DISAPPROVAL. After reviewing the information provided by the SOS, and you are in agreement with their determination, you will be required to forward a copy of the SOS letter, with a cover letter closing the case to the ZOP initiator. (See attachment 9 for an example.) The case will be closed, and you will annotate your log as to the date. Retention of case folders is addressed in AFI 38-401, The Air Force Innovative Development through Employee Awareness (IDEA) Program. Your Information Management Element will be able to assist you with the procedures/ guidelines that are applicable.

3.10. STEP 7. APPROVAL. Upon receipt of the approval, review the information, and determine exactly what has been approved. There are a number of scenarios, i.e.:

3.10.1. Approved new source/manufacturer; demands insufficient to make "buys" at this time.

3.10.2. Actual overpricing error.

3.10.3. Valid reclamation; no demand data for subsequent buys. You will become familiar with the various types. Obtain the AF Form 1000, signed, and place it in the case folder. Some are approved, but have no tangible savings. If you have a working relationship with your IDEA Office, you can recommend an award amount. In the closing letter submitted to the IDEA Analyst, recommend an intangible award in an amount IAW AFI 38-401 or a predetermined amount (in agreement with your IDEA Office) for whatever the approval was (for example adding a new manufacturing source). There are

instances in which the SOS will notify you that a reclamation has been requested/received from the manufacturer. Based on the dollar value needed to determine the tangible amount of the award, see AFI 38-401 for guidelines. However, if the item is currently active and will be purchased quarterly, you will forward a letter to the challenger stating that the challenge was reviewed, approved as over-priced and that you require the AF Form 1000. The challenge will remain open for one additional year to gather demand history data to compute the amount of the dollar savings. (See attachment 11 for an example.)

3.11. STEP 8. CLOSURE, WITH MONETARY AWARD.

3.11.1. INTANGIBLE. Refer to step 7 above. You and your IDEA Office should develop a good working relationship to expedite and shorten the amount of paperwork. Again, see AFI 38-401 for guidelines.

3.11.2. TANGIBLE. After forwarding your letter of notification to the challenger, and receiving his/her AF Form 1000, generally, you should obtain a consolidated transaction history (CTH) from the SOS, either from your base supply computer for locally purchased (LP) items, from the IMS for AF managed NSNs, and from others services, i.e., the Navy, DLA, for a year's time period prior to the date the challenge was approved. Since IDEA Program awards are paid *on approval*, rather than implementation, to afford timely recognition, estimated savings should be calculated on this historical data, using the number of items purchased for the one-year period prior to approval of the challenge. If historical data does not exist for the entire one-year period, estimated savings may be calculated based on whatever historical data is available. Another rule of thumb that can be followed is that the challenger should be asked if he/she desires to have the challenge considered Department of Defense (DOD) wide. For obvious reasons one should decide to have it considered in this manner.

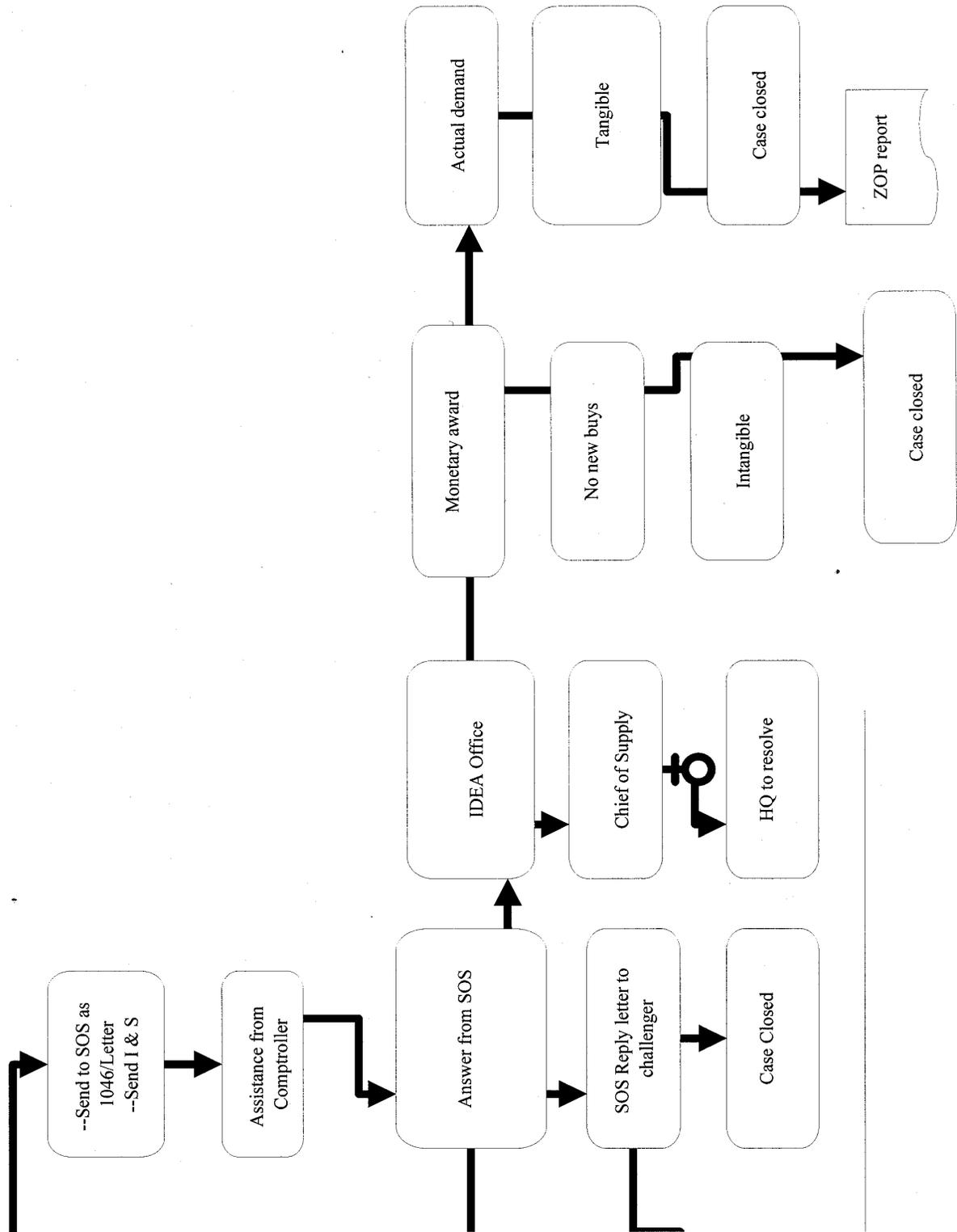
3.11.3. Once the CTH is received, and you determine the amount of the award (based upon annual demand data, and the formulas set forth in AFI 38-401) you will submit a closing letter to the IDEA Office, with the appropriate demand quantities, dollar amounts, and the amount of the award. You will also forward a letter to the challenger, closing the challenge, and turning it over to the IDEA Office. (See attachment 10 for an example.)

3.11.4. Annotate your log with the status, action taken and date you forwarded the letters to the respective parties.

3.12. STEP 9. ADVERTISE: Refer to the ZOP manual with respect to the types of advertisement and frequency (quarterly). Attachments to this guide provide you with samples for input to the base paper, electronic bulletin board(s), base marquees and unit bulletin boards. (See attachments 1, 2 and 3 for examples.)

3.13. STEP 10. ANNUAL REPORTS. This report is due 15 days after the end of the fiscal year to the MAJCOM focal point. (See attachment 14 for format.)

Figure 3.1. Continued.



Chapter 4**D043 PROCEDURES**

- 4.1. TO ACCESS THE D043 USING A PERSONAL COMPUTER THROUGH THE TELNET: GO INTO THE D043 ICON (IF YOU ARE USING WINDOWS) (ICON PROPERTIES C:\SUPERTCP\TN3270.EXE)
- 4.2. HOST ADDRESS IS 129.52.27.31 <ENTER>
- 4.3. ENTER COMMAND OR "HELP", TYPE IN "sim3278" <ENTER>
- 4.4. ENTER APPLICATION NAME, TYPE IN "D043" <ENTER>
- 4.5. ENTER USERID, SELF EXPLANATORY <TAB>
- 4.6. ENTER PASSWORD, SELF EXPLANATORY <ENTER>
- 4.7. D043 IS ALL MENU DRIVEN, SO USING IT WILL BE VERY SIMPLE.

Chapter 5

ZERO OVERPRICING PROGRAM (ZOP) ADVERTISING PROGRAM

5.1. One way of advertising the ZOP program is to use various ZOP phrases printed on the civilian employee's leave and earning statements.

5.1.1. EARN MONEY THRU ZOP

5.1.2. ZOP SAVES TAX DOLLARS

5.1.3. BE A ZOP WINNER

5.1.4. ZOP DOLLARS DO COUNT

5.2. Local base paper.

5.2.1. ZERO OVERPRICING. Think your organization is paying too much for an item? Let us know! You can save our tax dollars and earn extra cash at the same time. To schedule a presentation or to inquire about an overpricing Referral Form (AF Form 1046) contact (your name, organization, office symbol here), ext. (your telephone extension here).

5.2.2. NEED EXTRA CASH. Check out the Zero Overpricing Program (ZOP). Last year challengers at (your AFB) were awarded over (total dollars) which subsequently saved (total number of) tax dollars. The challenges ranged from suggesting similar/replacement items to alternate sources from which to purchase items. If you want to know more on how to submit a challenge, submit an AF Form 1046, Zero Overpricing Challenge/Referral or, if you would like for us to visit your section or branch and give a short presentation, contact (organization, office symbol, name and extension) our ZOP representative.

5.2.3. ATTENTION ALL PERSONNEL. A successful Zero Overprice Program (ZOP) Challenge saves the Air Force Money and pays you money. Submit those overpriced items on AF Form 1046, "Zero Overpricing Challenge/Referral", to (your organization and office symbol), Attn: ZOP Monitor.

5.2.4. ATTENTION ALL PERSONNEL. Do your share to save tax dollars and at the same time earn cash for yourself. How? Thru the Zero Overpricing Program (ZOP) - that's how. Submit your challenge on an AF Form 1046, "Zero Overpricing Challenge/Referral", to: (your organization, office symbol here), Attn: ZOP Monitor.

5.2.5. ATTENTION ALL PERSONNEL. Help stop the tax dollar leak and earn extra cash for yourself by submitting overpriced items thru the Zero Overpricing Program (ZOP). Send AF Form 1046, "Zero Overpricing Challenge/Referral", to (your organization, office symbol here), Attn: ZOP Monitor.

5.2.6. ZOP NEWS. Recently an employee from (his/her organization name) earned extra cash (name the amount) by submitting a Zero Overpricing Challenge. You too can earn extra money by submitting an overprice item on AF Form 1046, "Zero Overpricing Challenge/Referral", to (your organization, office symbol here), Attn: ZOP Monitor.

5.2.7. ATTENTION ALL PERSONNEL. With an ever-decreasing defense budget, we need to maximize the use of our resources. One sure way to insure this happens is to reduce overpricing in Air Force acquisitions. The Zero Overpricing Program (ZOP) was established for this purpose. In addi-

tion, the program interfaces with the Suggestion Program to provide recognition and awards to personnel who successfully identify such overpriced items. If you have reason to believe an item is overpriced, complete an AF Form 1046, "Zero Overpricing Challenge/Referral", and forward it to (organization/office symbol/name and extension of the ZOP Monitor) for processing.

5.2.8. ZOP TIPS. This is the first of several ZOP tips that will be published in the bulletin. The purpose is to inform all military and civilian employees about the what, when, who and how of the Zero Overpricing Program. All questions from employees are welcome. AF Form 1046, "Zero Overpricing Challenge/Referral", is the authorized Air Force form for submitting overpricing items.

5.2.9. ZOP TIPS. What manual governs the ZOP program process? For initial AF Form 1046, "Zero Overpricing Challenge/Referral", AFMAN 23-110, Volume 7, Part 4 is the applicable publication to follow.

5.2.10. ZOP TIPS. A frequently asked question is "Where can I obtain the authorized AF Form 1046, "Zero Overpricing Challenge/Referral"? This form can be accessed online through the Delrina PerFORM Flow or PerFORM Pro program. You can also submit the requirement for your organization by ordering the form through regular Publications Distribution channels. In some cases an emergency walk-thru can be accomplished or you may call the local ZOP monitor.

5.2.11. ATTENTION ALL PERSONNEL. Want to travel, have some fun and enjoy the sun this upcoming summer? Earn that extra needed cash and help reduce tax payers' expense by submitting an overpriced item on AF Form 1046, "Zero Overpricing Challenge/Referral", to (your organization and office symbol here) Attn: ZOP Monitor

5.2.12. ATTENTION ALL PERSONNEL. Be more than an employee in the Air Force. Become a warrior in fighting all overpriced items thru the Zero Overpricing Program. Submit those items on AF Form 1046, "Zero Overpricing Challenge/Referral", to (your organization and office symbol here), Attn: ZOP Monitor.

5.2.13. ATTENTION ALL PERSONNEL. Be a savvy taxpayer and employee by helping to save tax dollars and earn some dollars. Submit all overpriced items on AF Form 1046, "Zero Overpricing Challenge/Referral", to (your organization and office symbol here), Attn: ZOP Monitor.

5.2.14. ATTENTION ALL PERSONNEL. Be a partner with the Air Force in reducing tax payers' expense. Partnership benefits are recognition and a cash award. Submit all overpriced items on AF Form 1046, "Zero Overpricing Challenge/Referral", to (your organization and office symbol here), Attn: ZOP Monitor.

5.3. Electronic Bulletin Board.

5.3.1. SAVE TAX DOLLARS AND EARN MONEY THRU ZOP! USE AF FORM 1046, "ZERO OVERPRICING CHALLENGE/REFERRAL".

5.3.2. ZOP SAVES TAX DOLLARS USE AF FORM 1046, "ZERO OVERPRICING CHALLENGE/REFERRAL".

5.3.3. EARN MONEY THRU ZOP USE AF FORM 1046, "ZERO OVERPRICING CHALLENGE/REFERRAL".

5.3.4. BE A ZOP WINNER USE AF FORM 1046, "ZERO OVERPRICING CHALLENGE/REFERRAL".

5.3.5. ZOP DOLLARS DO COUNT USE AF FORM 1046, "ZERO OVERPRICING CHALLENGE/REFERRAL".

5.3.6. EARN EXTRA CASH THRU ZOP USE AF FORM 1046, "ZERO OVERPRICING CHALLENGE/REFERRAL".

5.3.7. EARN MONEY AND RECOGNITION THRU ZOP USE AF FORM 1046, "ZERO OVERPRICING CHALLENGE/REFERRAL".

5.4. Unit bulletin boards. See attachment 4 for sample flyers/posters.

JOHN W. HANDY, Lt General, USAF
DCS/Installations and Logistics

Attachment 1**USE YOUR ORGANIZATIONAL LETTERHEAD**

MEMORANDUM FOR (Base Bulletin Organization/Office Symbol)

FROM: (Your Organization/Office Symbol)

SUBJECT: Request for Publishing

1. The purpose of the Zero Overpricing Program (ZOP) is to reduce overpricing in Air Force acquisitions. It serves as the vehicle for all AF material users to participate in the efficient utilization of funds. In addition, it interfaces with the Suggestion Program in providing recognition and awards to those individuals who have successfully identified overpriced items.
2. With the ever-decreasing defense budget, it becomes critical to maximize the benefits of this program. Since the success of the program is directly proportional to users' input, maximum publicity of the program must be fully supported by all management officials.
3. We need your support to publicize this worthwhile program today and in the future months ahead. Request the following ZOP phrase be published during the week of (date) or (dates) in the base bulletin.

(Insert one of the subparagraphs from paragraph 5.2.)

4. Please advise of actual dates above information will be displayed.
5. If you have any questions, or need additional information, please contact our ZOP Monitor, (organization/office symbol/ZOP Monitor's name/telephone extension).

ZOP MONITOR'S NAME/SIGNATURE
Zero Overpricing Program Monitor

Attachment 2

USE YOUR ORGANIZATIONAL LETTERHEAD

MEMORANDUM FOR (Appropriate Organization/Office Symbol)

FROM: (Your Organization/Office Symbol)

SUBJECT: Request for Display on Electronic Bulletin Board/Marquee

1. Request the following information for Zero Overpricing be displayed on the electronic bulletin board located at (give location of electronic bulletin board/marquee) the week of (date) or (dates).

SAVE TAX DOLLARS AND EARN EXTRA CASH THRU ZOP USE AF FORM 1046

2. Please advise of actual dates above information will be displayed.

3. If you have a question or need additional information, please contact our ZOP Monitor, (your name/organization/office symbol/telephone extension).

ZOP MONITOR'S NAME/SIGNATURE

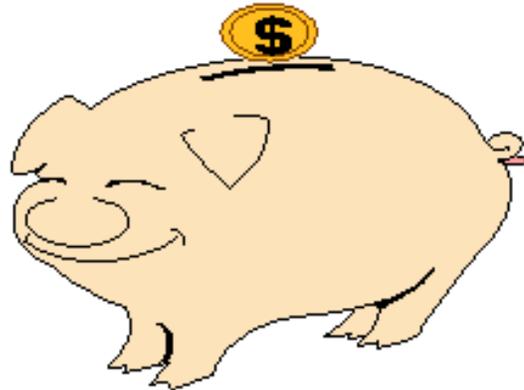
Zero Overpricing Program Monitor

Attachment 3

ZERO OVERPRICING PROGRAM (ZOP) ADVERTISING PROGRAM

Figure A3.1. Identify Overpricing (Sample Flyer-Poster).

IDENTIFY OVERPRICING SAVE MONEY



SUBMIT CHALLENGES ON AF FORM 1046

TO: _____ PHONE: _____

Figure A3.2. Suspected Overpricing (Sample Flyer-Poster).

SUSPECTED OVERPRICING DON'T SIT ON IT



IDENTIFY POTENTIAL OVERPRICE ITEMS

SUBMIT AF FORM 1046 TO: _____

PHONE: _____

Figure A3.3. Stamp Out Overpricing (Sample Flyer-Poster).

STAMP OUT OVERPRICING WIN CASH AWARDS

**IDENTIFY POTENTIAL OVERPRICED
ITEMS OR SUITABLE SUBSTITUTE**

SUBMIT AF FOR 1046 TO: _____

PHONE: _____

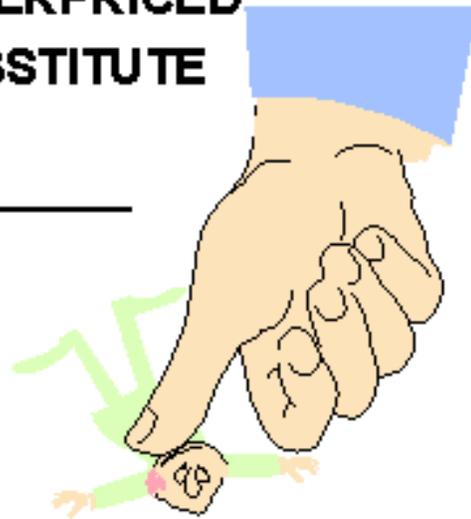


Figure A3.4. Don't Accept Overpricing (Sample Flyer-Poster).



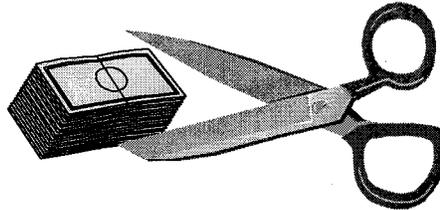
**DON'T ACCEPT
OVERPRICING**

IDENTIFY OVERPRICING

SUBMIT POTENTIAL OVERPRICED ITEMS
OR SUITABLE LOWER PRICED SUBSTITUTES
ON AF FORM 1046 TO: _____
PHONE: _____

Figure A3.5. Identify Overpricing (Sample Flyer-Poster).

IDENTIFY OVERPRICING CUT COSTS

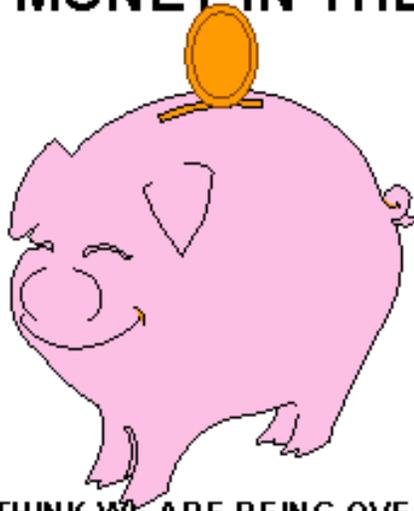


**IDENTIFY OVERPRICED ITEMS
OR SUITABLE SUBSTITUTES**

**SUBMIT AF FORM 1046 FOR ZERO
OVERPRICE CHALLENGE TO: _____
PHONE: _____**

Figure A3.6. .It's Money In The Bank (Sample Flyer-Poster).

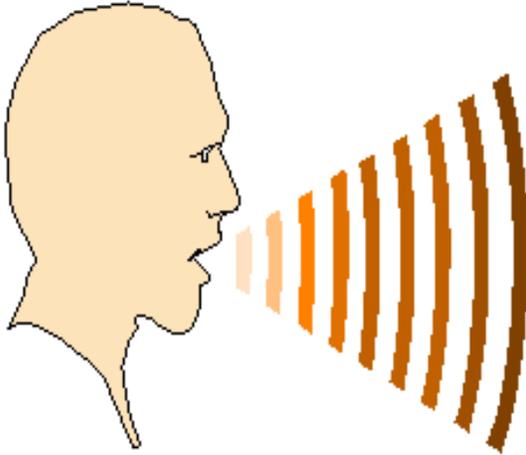
IT'S MONEY IN THE BANK



IF YOU THINK WE ARE BEING OVERCHARGED,
CONTACT: _____ Phone: _____

Figure A3.7. Shout It Out (Sample Flyer-Poster).

SHOUT IT OUT "RECOGNIZE OVERPRICING"



THINK WE'RE BEING OVERCHARGED?

SUBMIT AF FORM 1046 TO: _____ PHONE: _____

Figure A3.8. Step Up To Overpricing (Sample Flyer-Poster).

STEP UP TO OVERPRICING



THINK WE'RE BEING OVERCHARGED?

SUBMIT AF FORM 1046 TO: _____ PHONE: _____

Figure A3.9. Unlock The Door To Overpricing (Sample Flyer-Poster).

UNLOCK THE DOOR TO OVERPRICING



THINK WE'RE BEING OVERCHARGED??
SUBMIT AF FORM 1046 TO: _____
PHONE: _____

Figure A3.10. Hang In There (Sample Flyer-Poster).

HANG IN THERE ACT QUICKLY FOR OVERPRICING

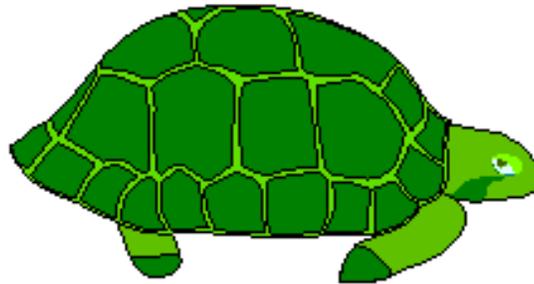


THINK WE'RE BEING OVERCHARGED?
SAVE TAXPAYERS MONEY & EARN
CASH AWARDS

SUBMIT PRICE CHALLENGES ON AF FORM
1046 TO: _____ PHONE: _____

Figure A3.11. Don't Slow Down (Sample Flyer-Poster).

DON'T SLOW DOWN WAKE UP TO OVERPRICING



THINK WE'RE BEING CHARGED TO MUCH?

**SUBMIT POTENTIAL OVERPRICED ITEMS
ON AF FORM 1046 TO: _____
PHONE: _____**

Figure A3.12. BE A WINNER (Sample Flyer-Poster).



BE A WINNER
SAVE TAXPAYERS' MONEY

THINK WE'RE BEING OVERCHARGED?

EARN CASH AWARDS
SUBMIT POTENTIAL OVERPRICE
ITEMS ON AF FORM 1046

TO: _____ PHONE: _____

Figure A3.13. Be Recognized (Sample Flyer-Poster).

BE RECOGNIZED WIN CASH AWARDS

THINK WE'RE BEING OVERCHARGED?

SUBMIT POTENTIAL OVERPRICED
ITEMS ON AF FORM 1046 TO: _____
PHONE: _____



Figure A3.14. Crush Overpricing (Sample Flyer-Poster).

CRUSH OVERPRICING

THINK WE'RE BEING OVERCHARGED?

SUBMIT AF FORM 1046 TO: _____

PHONE: _____



Figure A3.15. No Magic To Report Zero Overpricing (Sample Flyer-Poster).

NO MAGIC TO REPORT ZERO OVERPRICING

THINK WE'RE BEING OVERCHARGED?

SUBMIT PRICE CHALLENGES ON
AF FORM 1046 TO: _____
PHONE: _____

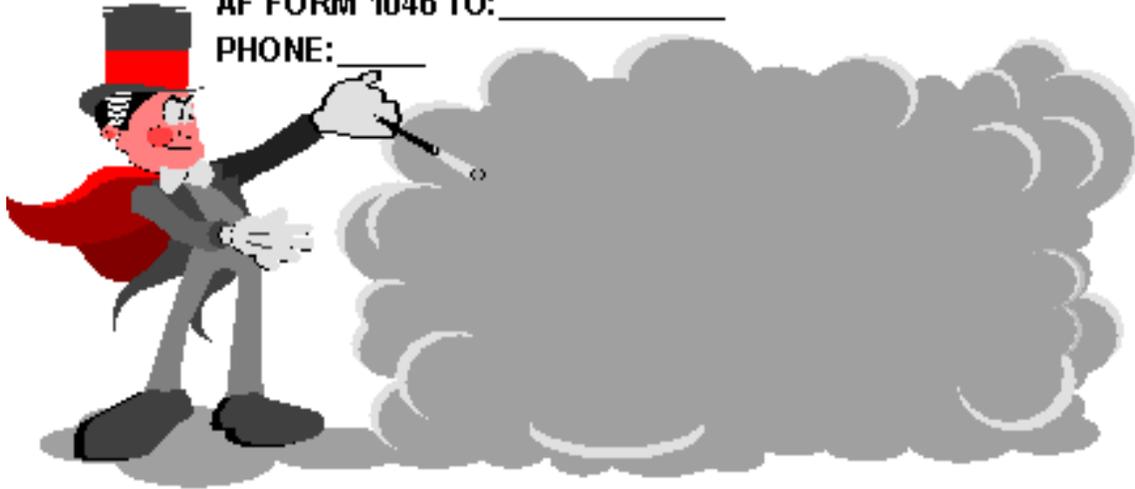


Figure A3.16. Be A Winner (Sample Flyer-Poster).

BE A WINNER

IDENTIFY POTENTIAL OVERPRICED ITEMS

**THINK WE'RE BEING OVERPRICED?
KNOW A LOWER PRICE SUITABLE
SUBSTITUTE?**

SUBMIT PRICE CHALLENGE ON AF FORM 1046
TO: _____ PHONE: _____

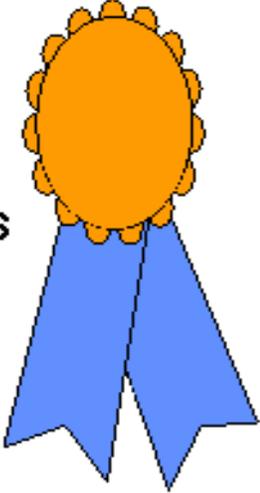
A graphic of a gold medal with a blue ribbon. The medal is circular with a scalloped edge and is positioned to the right of the main text. The ribbon is blue and has two tails hanging down.

Figure A3.17. Unlock The Key To Overpricing (Sample Flyer-Poster).

UNLOCK THE KEY TO OVERPRICING



THINK WE'RE BEING OVERCHARGED?

SUBMIT AF FORM 1046 TO: _____

PHONE: _____

Attachment 4

USE YOUR ORGANIZATIONAL LETTERHEAD

MEMORANDUM FOR (Source Of Supply/Organization/Office Symbol)

FROM: (Organization/Office Symbol)

SUBJECT: Zero Overpricing Program (ZOP) Challenge # _____

1. We believe the current catalog price for the following item is incorrect and may reflect an overcharge to the government. Request you research pricing data on this item and provide information on results of the research to this office. Where an actual overcharge is determined to exist, request the dollar amount of estimated annual savings.

2. Item Description

- a. Name of Item:
- b. NSN:
- c. Part Number:
- d. ERRC:
- e. AAC:
- f. Commercial and Government Entity code:
- g. Catalog:
- h. Current Catalog Price:
- i. Estimate of Price:

3. Additional Information:

4. Please provide all background information of purchase for this item, plus specific data on contract award(s) that established the catalog price being questioned. Information should include as a minimum:

- a. Date of Award(s):
- b. Quantity Purchased:
- c. Unit Price Paid:

5. If further information is needed, please contact me at (PHONE NUMBER).

(ZOP MONITOR'S NAME/SIGNATURE)

Zero Overpricing Program Monitor

Attachment 5**USE YOUR ORGANIZATIONAL LETTERHEAD**

MEMORANDUM FOR (Organization/Office Symbol/Challenger Date)

FROM: (Organization/Office Symbol)

SUBJECT: Request for Additional Information

1. We are unable to process your request, number _____, because of insufficient information. Reference AFMAN 23-110, Volume 7, Part 4. Please provide additional information as annotated below, to this office not later than (recommend no longer than 30 days).

2. Item Description:

- a. Name of item.
- b. National Stock Number (NSN).
- c. Part Number.
- d. Expendability, recoverability, reparability category (ERRC) code, if available.
- e. Commercial and Government Entity code (CAGE), if available.
- f. Catalog, technical order and end-item application, if available.
- g. Current (catalog) price.
- h. Estimate of what the price should be.
- i. Due-in document number item was received on, if applicable.

3. Justification for Challenge. There must be sound basis for a challenge. While intuition may suggest a price is too high, the depot technician who must resolve the challenge needs factual information. Challengers are encouraged to consult with other knowledgeable persons to develop challenge justification. This information must include one of the following:

- a. A different source which will furnish the identical item for a lower price.
- b. Evidence of an alternate lower priced item having acceptable technical merit.
- c. Technical evidence that the item (or its packaging) is over-engineered.

4. Catalog price increases do not constitute justification for zero overpricing referrals. However, inquiries as to whether such increases represent printing discrepancies or other errors may be sent to the responsible inventory control point.

5. Point of contact is (INDIVIDUAL'S NAME/PHONE NUMBER). Please reply within 30 days. If a reply is not received, the challenge will be disapproved due to lack of information.

ZOP MONITOR'S NAME/SIGNATURE
Zero Overpricing Program Monitor

Attachment 6

USE YOUR ORGANIZATIONAL LETTERHEAD

MEMORANDUM FOR (Source Of Supply/Organization/Office Symbol)

FROM: (Organization/Office Symbol)

SUBJECT: Zero Overpricing Program (ZOP) Follow-up

In accordance with AFMAN 23-110, Volume 7, Part 4, request current status of our Zero Overpricing Challenge, number _____, for NSN _____.

If further information is required, feel free to contact me at (PHONE NUMBER).

ZOP MONITOR'S NAME/SIGNATURE

Zero Overpricing Program Monitor

Attachment 7

USE YOUR ORGANIZATIONAL LETTERHEAD

MEMORANDUM FOR (Organization/Office Symbol/Challenger's Name)

FROM: (Organization/Office Symbol)

SUBJECT: Status of Zero Overpricing Challenge

1. Your price challenge, number _____, submitted on NSN _____ has been received by the source of supply. They are still evaluating your challenge. We expect a response from them by _____. You will be advised of the results at the earliest possible date.
2. Thank you for your interest in the Zero Overpricing Program. If further information is needed, please do not hesitate to call (RESPONSIBLE OFFICE/ORGANIZATION/ OFFICE SYMBOL/PHONE NUMBER).

ZOP MONITOR'S NAME/SIGNATURE

Zero Overpricing Program Monitor

Attachment 8

USE YOUR ORGANIZATIONAL LETTERHEAD

MEMORANDUM FOR (MAJCOM)

FROM: (Organization/Office Symbol)

SUBJECT: Request for Assistance

1. In accordance with AFMAN 23-110, Volume 7, Part 4, we request your assistance in obtaining status on our Zero Overpricing Challenge, number _____, for NSN _____. The original challenge was submitted _____, and follow-up letters were sent on _____, and _____. As of this date, we have not received a reply to any of these requests.

2. In order to maintain a successful Zero Overpricing Program at (your Base name), full cooperation and assistance are often needed from various sources of supply. Request your assistance in obtaining the necessary information from the source of supply to enable us to offer continued support to our most valuable customers.

3. A copy of the original challenge and follow-up letters are attached for your information. Our point of contact for the Base Supply Zero Overpricing Program is (ZOP MONITOR'S NAME). If further information is required, please contact him/her at (PHONE NUMBER).

ZOP MONITOR'S NEXT LEVEL NAME/SIGNATURE

OFFICE/ORGANIZATION

Attachments:

Zero Overpricing Program Memo, _____

Follow-up 1, _____

Follow-up 2, _____

Follow-up 3, _____

Attachment 9

USE YOUR ORGANIZATIONAL LETTERHEAD

MEMORANDUM FOR (Organization/Office Symbol/Challenger's Name)

FROM: (Organization/Office Symbol)

SUBJECT: Zero Overpricing Challenge Reply

1. Your Zero Overpricing Challenge, number _____, was thoroughly reviewed by the source of supply based on the information you presented. Their reply is attached for your information and review.

2. There may be times when we overlook or misunderstand some information. If you are not satisfied with our evaluation and want reconsideration, please direct your correspondence to (RESPONSIBLE OFFICE/ORGANIZATION/OFFICE SYMBOL/PHONE NUMBER). If still not satisfied, you may ask for further review.

3. Since no actual savings were incurred, this constitutes closing action for this case. Thank you for your support of the Zero Overpricing Program.

RESPONSIBLE PARTY NAME/SIGNATURE

RESPONSIBLE OFFICE/ORGANIZATION

Attachment 10

USE YOUR ORGANIZATIONAL LETTERHEAD

MEMORANDUM FOR (IDEA Office/Office Symbol)

FROM: (Organization/Office Symbol)

SUBJECT: Zero Overpricing Program (ZOP) Recommended Award

1. The attached Zero Overpricing Challenge, number _____, is being forwarded for your action. This office recommends an intangible award of (\$100.00) or IAW with AFI 38-401. Recommend an award for tangible/intangible savings to be given based on the attached information.

2. If you need further information, please feel free to contact (ZOP MONITOR'S NAME/PHONE NUMBER). Thank you for your time and assistance with this case.

RESPONSIBLE PARTY NAME/SIGNATURE

RESPONSIBLE OFFICE/ORGANIZATION

Attachment:

ZOP # _____

Attachment 11

USE YOUR ORGANIZATIONAL LETTERHEAD

MEMORANDUM FOR (Organization/Office Symbol/Challenger's Name)

FROM: (Organization/Office Symbol)

SUBJECT: Zero Overpricing Program (ZOP) Challenge # _____

1. Your Zero Overpricing Challenge, number _____, was thoroughly reviewed by the source of supply based on the information you presented. Their reply is attached for your information and review.
2. As determined by AFMAN 23-110, Volume 7, Part 4 and AFI 38-401, estimated savings have been calculated and forwarded to the Base IDEA Office to determine if a tangible award will be presented.
3. Thank you for your support of the Zero Overpricing Program. If you have any questions, please feel free to contact (RESPONSIBLE OFFICE/ORGANIZATION/ OFFICE SYMBOL/PHONE NUMBER).

RESPONSIBLE PARTY NAME/SIGNATURE
RESPONSIBLE OFFICE/ORGANIZATION

Attachment:

Source of Supply Reply

Attachment 12**USE YOUR ORGANIZATIONAL LETTERHEAD**

MEMORANDUM FOR (IDEA Office/Office Symbol)

FROM: (Organization/Office Symbol)

SUBJECT: Zero Overpricing Program (ZOP) Challenge IDEA Waiver Request

Request a waiver for ZOP Challenge _____ for an after-the-fact IDEA (AF Form 1000) in accordance with the (date) meeting with (your organization and office symbol) and the IDEA Office, in which it was determined that there are times the documentation and data collection would exceed normal guidelines and regulations.

ZOP MONITOR'S NAME/SIGNATURE

Zero Overpricing Program Monitor

Attachment 13

USE YOUR ORGANIZATIONAL LETTERHEAD

MEMORANDUM FOR (Organization/Office Symbol)

FROM: (Organization/Office Symbol)

SUBJECT: Letter of Appreciation (CHALLENGER'S NAME)

1. I would like to take this opportunity to thank (CHALLENGER'S NAME) for (his/her) support of the Zero Overpricing Program. Due to (his/her) exemplary efforts to reduce Air Force spending, an error was discovered on a stock list price (administrative error, additional vendor added to system, etc.). The list price will be corrected to ensure other supported organizations are charged the correct price.
2. (CHALLENGER'S NAME) participation is exactly the kind of responsible involvement we need to ensure we spend our dollars wisely. Please pass on y thanks for a job well done.

CHIEF OF SUPPLY'S NAME/SIGNATURE

Chief of Supply

Attachment 14

USE YOUR ORGANIZATIONAL LETTERHEAD

MEMORANDUM FOR (Your MAJCOM Focal Point Address)

FROM: (Organization/Office Symbol)

SUBJECT: Zero Overpricing Program (ZOP) Report, RCS: HAF-LGS(A)8004

1. The following information is provided for FY _____

a. Challenges:

(1) Number of challenges under investigation at the beginning of the reporting period: _____

(2) Number of challenges submitted during the reporting period: _____

(3) Number of challenges verified as overpriced: _____

(a) Number actually verified as overpriced: _____

(b) Number verified as stocklist price error: _____

(4) Number of challenges correctly priced with possible future savings: _____

(5) Number of challenges still under investigation at the end of the reporting period: _____

b. Awards:

Monetary awards under IDEA Program:

(a) Number: _____

(b) Total dollar amount paid: _____

(c) Total tangible savings in dollars: _____

(d) Total number of other types of awards: _____

c. Success Stories:

2. Our ZOP Monitor is (YOUR NAME). If further information is needed, please feel free to contact him/her at DSN (YOUR NUMBER/COMMERCIAL NUMBER/ FAX).

CHIEF OF SUPPLY NAME/SIGNATURE

Chief of Supply

Attachment 15

ADDRESSES

PURPOSE: To provide a mailing list of office addresses for referring ZOP price challenge/referral submissions and MAJCOM focal points.

DLA Challenges:

Defense Supply Center, Columbus

ATTN: DSCC-VEB

PO Box 3990

Columbus, OH 43216-5000

DSN: 850-8830/3100 or FAX DSN 850-5266

Commercial: (614) 692-8830

Defense Supply Center, Richmond

ATTN: DSCR-VEC

8000 Jefferson Davis Highway

Richmond, VA 23297-5000

DSN: 695-5317 or FAX DSN 695-5484

Commercial: (804) 279-5317

Defense Industrial Supply Center

ATTN: DISC-BBEB

700 Robbins Avenue

Philadelphia, PA 19111-5096

DSN: 442-3020 or FAX DSN 442-1081

Commercial: (215) 697-3020

Defense Supply Center, Philadelphia

ATTN: DSCP-PC

2800 South 20th Street

Philadelphia, PA 19145-5099

DSN: 444-5856 or FAX DSN 444-2620

Commercial: (215) 737-5856

Air Force Challenges (ALCs and MAJCOMs):

OC-ALC/TILDC

3001 Staff Dr., Suite 1AA81A

Tinker AFB, OK 73145-3041

DSN: 336-3257 or DSN FAX 336-2633

Commercial: (405) 736-3564

OO-ALC/CR

6038 Aspen Ave.

Hill AFB, UT 84056-5805

DSN: 777-9999 (ZOP Hot Line)/9974 or DSN FAX: 777-7563

Commercial: (801) 777-9999 (Hotline)

SA-ALC/FMIP

485 Quentin Roosevelt Rd., Suite 6

Kelly AFB, TX 78241-6425

DSN: 945-7907 or DSN FAX: 945-7343

Commercial: (512) 925-7907

SM-ALC/CR

3237 Peacekeeper Way, Suite 19

McClellan AFB, CA 95652-1061

DSN: 633-4402 or DSN FAX: 633-2950

Commercial: (916) 643-4402

WR-ALC/PKPF

235 Byron Street

Robins AFB, GA 31098-1611

DSN: 468-7265 or DSN FAX: 468-2925

Commercial: (912) 926-7265

Air Combat Command

HQ ACC/LGSIP

130 Douglas Street, Suite 210

AFPAM23-117 1 MAY 1999

Langley AFB VA 23665-2791
DSN: 574-7817 FAX: 574-3079
Commercial: (757) 764-7817

Air Education and Training Command

HQ AETC/LGSPP
555 E Street E. Suite 238
Randolph AFB TX 78150-4440
DSN: 487-4320 FAX: 487-3988
Commercial: (210) 652-4320

Air Force Materiel Command

HQ AFMC/LGIA
4375 Chidlaw Road, Suite 6
Wright-Patterson AFB OH 45433-5006
DSN: 674-0096 FAX: 986-2079
Commercial: (937) 904-0096

Air Force Reserves

HQ AFRES/LGSP
155 Second Street
Robins AFB GA 31098-1635
DSN: 497-1668 FAX: 497-0731
Commercial: (912) 327-1668

Air Force Special Operations Command

HQ AFSOC/LGRF
100 Bartley Street, Suite 224
Hurlburt Field FL 32544-5273
DSN: 579-2511 FAX: 579-5063
Commercial: (904) 884-2511

Air Force Space Command

HQ AFSPC/LGSP

150 Vandenberg Street, Suite 1105
Peterson AFB CO 80914-4430
DSN: 692-5617 FAX: 692-9865

Air Mobility Command

HQ AMC/LGXR
402 Scott Drive/ Unit 2A2
Scott AFB IL 62225-5308
DSN: 576-6698 FAX: 576-1878
Commercial: (618) 256-6698

Air National Guard

ANGRC/LGSP
3500 Setchet Avenue
Andrews AFB DC 20762-5157
DSN: 278-8806 FAX: 278-8195
Commercial: (301) 836-8806

Pacific Air Forces

HQ PACAF/LGSP
25 E Street, Suite I326
Hickam AFB HI 96853-5427
DSN: 449-3068 x 303 FAX: 449-3002

United States Air Force Europe

HQ USAFE/LGSP
Unit 3050, Box 105
APO AE 09094-0105
DSN: 480-7490/6370 FAX: 480-7748

Medical Challenges:

Air Force Medical Logistics Office (AFMLO/FOC-OD)
1423 Sultan Street, Suite 200
Fort Detrick, MD 21702-5006

DSN: 343-7267 or DSN FAX 343-2557

Commercial: (301) 619-7267

Customer Service

8006 Chennault Rd.

Brooks AFB, TX 78235

DSN: 240-3227 or DSN FAX 240-2498

Commercial: (210) 536-3227

Estimated Price Challenges (EZOPs):

Department of the Air Force

Logistics Information Support Office (AFMC LSO/LGISA)

74 Washington Ave N, Suite 8

Battle Creek, MI 49017-3094

DSN: 932-5164 or DSN FAX 932-5157

Commercial: (616) 961-5164

Other Service/Agency Price Challenges:

General Services Administration (GSA) Challenges Federal Supply Service (FSS):

GSA/FSS 2FYEM

Engineering & Commodity Management Division

26 Federal Plaza, Room 20-130

New York, NY 10278

Commercial: (212) 264-2709

Army Challenges:

Executive Director

USAMC LOGSA

Attn: AMXLS-ML (Price Challenge)

Red Stone Arsenal, AL 35898-7466

DSN: 645-0574 or DSN FAX 645-7720

Commercial: (256) 955-0574

Navy Challenges:

Commanding Officer
Fitting out & Supply Support Assistance Center
Price Fighter\$ Department (FOSSAC 08)
Attn: Code 084
PO Box 15129
Norfolk, VA 23511-0129
1-800-NAV-CHAL (628-2425)
Commercial: (757) 445-1786

Marine Corps:

Commander
Marine Corps Logistics Base
Code 890/S. Beaver
P.O. Drawer 43019
Albany, GA 31704-3019
DSN: 567-5486 or DSN FAX 567-6793
Commercial (912) 439-5486

Attachment 16

REFERENCES/PUBLICATIONS

A16.1. Pricing Programs References/Publications

A16.1.1. AFMAN 23-110, Volume 7, Part 4, Air Force Pricing Programs

A16.1.2. AFI 38-401, The Air Force IDEA Program

A16.1.3. AFP 67-25, Logistics Codes Desk Guide (to be replaced by AFPAM 23-118)

A16.1.4. Defense Logistics Agency Customer Assistance Handbook