



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE

SUBJECT: Approved Defense Logistics Management Standards Change 1420, Other
Transaction Agreements Instrument Type and Procurement Instrument Identifier
Construct (Supply)

The Defense Logistics Management Standards change, as outlined in the attachment, is approved for implementation.

Addressees may direct questions to Tonja Carter, e-mail: Tonja.Carter@dla.mil. Others must contact their designated PRC representative available at <https://www.dla.mil/Defense-Data-Standards/Committees/Contacts/>.

Leigh E. Method, SES
Deputy Assistant Secretary of Defense
for Logistics

Attachment:
As stated

cc:
OUSD(C)
OASD(A)(DPC)
DLA J6DS

Approved Defense Logistics Management Standards Change 1420 Other Transaction Agreements Instrument Type and Procurement Instrument Identifier Construct (Supply)

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. **Technical POC:** Defense Logistics Agency (DLA) Distribution HQ J4 BC
Receiving, Joshua Braxton, e-mail: Joshua.Braxton@dla.mil.

b. **Functional POC:** Defense Enterprise Data Standards Office (DEDSO), Tonja Carter,
e-mail: Tonja.Carter@dla.mil.

2. REASON FOR CHANGE: Significant changes after staffing the proposed change are in green shade.

a. **Bottom Line Up-Front:** To receive materiel under Other Transaction (OT) agreements, all DLA Distribution Centers must use workarounds to place the materiel on record. Current logic only supports letter designators (alpha characters) in the ninth position of the Procurement Instrument Identifier (PIID) to indicate the type of instrument (also known as contract type or procurement instrument type), but OT agreements must be identified by the numeral 3 for Research OTs or the numeral 9 for Prototype or Production OTs. To prevent the continued use of workarounds, such as reformatting the PIID or using a substitute document number to process receipts in DLA Distribution warehousing systems, DLA Distribution requested the capability to identify OTs in the receiving process with numerals 3 or 9 in the ninth position of the PIID.

b. Background:

(1) In 1989, Congress codified Title 10, United States Code (USC), Section 2371 (renumbered §4021) to allow the DoD to carry out OTs. Section 2371b (renumbered §4022) authorized the DoD to carry out prototype projects using a legal instrument other than a procurement contract, grant, or cooperative agreement. Additionally, Section 2358 (renumbered §4001) allows DoD to use contracts, grants, and cooperative agreements for basic research, applied research, advanced research and development projects. Enclosure 4 provides additional information on the authority for use of OTs for prototype projects as well as definitions and requirements.

(2) OT agreements are not subject to the Federal laws and regulations governing procurements. As such, they are not required to comply with the Federal Acquisition Regulation (FAR). If a production OT is awarded after successful prototype, an Agreements Officer may issue a modification to the original prototype agreement or award a new contract. The modified contract is identified in the PIID with Type of Instrument C and would be subject to the FAR and Defense Federal Acquisition Regulation Supplement (DFARS) policies and clauses, as referenced in the FAR Subpart 4.16 (Reference 10.a) and Defense Logistics Manual (DLM) 4000.25, Volume 7 (Reference 10.b).

(3) The DLA Distribution Warehousing System is not designed to accept the PIID construct for OT agreements. DLA Distribution Centers must use workarounds to place the materiel on record. It is unknown if the workarounds create additional problems for the procuring or paying activities. Tracking the materiel from the vendor to DLA Distribution Centers, in addition to vendor performance for OT agreements is not occurring due to the system's inability to capture the instrument type for materiel under OT.

3. CHANGE IN DETAIL:

a. Technical Details:

(1) There are three different types of OT agreements: Research OTs, Prototype OTs, and Production OTs. Research OTs are identified by the numerical value of 3 in the type of instrument field of the PIID, Prototype and Production OTs by the numerical value of 9 (Reference 10.c). The implementation of this change supports numerical values in the instrument type field.

(2) On February 23, 2017, Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1161A (Reference 10.d), updated the letter designator in the type of instrument field and was specific to solicitation contracts identified by an alpha character in the ninth position of the PIID. It did not address OT agreements identified by a numerical character in the type of instrument field. This resulted in DLA Warehousing Systems implementing the capability of alpha characters only. The following illustrates a properly configured PIID as defined in FAR Subpart 4.16 (Reference 10.a.).

Position	Contents	N00062	17	C	0001
1-6	Identification of department/agency office (AAC)				
7-8	Last two digits of the fiscal year in which the procurement instrument is issued or awarded.				
9	Type of instrument				
10-13	Four position agency assigned number				

(3) This change will allow the use of numerals 3 or 9 in the ninth position of the PIID to identify OT agreements. The following illustrates an example of this construct.

Position	Contents	N00062	22	9	0001
1-6	Identification of department/agency office (AAC)				
7-8	Last two digits of the fiscal year in which the procurement instrument is issued or awarded.				
9	Type of instrument For OT agreements use: 3 - Research OT 9 - Prototype/Production OT				
10-13	Four position agency assigned number				

b. Revised Transaction Flow: The following flow of transactions is required for OT agreements that will ship materiel to the Government.

(1) Advanced shipment notification (ASN) via Procurement Integrated Enterprise Environment (PIEE) will be routed to the Defense Automatic Addressing System (DAAS) Global Exchange (GEX). GEX will translate the ASN to the Defense Logistics Management Standard (DLMS) 856P Advance Shipment Notice for the Government warehousing systems.

(2) The Government will use the DLMS 856P as an electronic receiving report, which replaces the Department of Defense Form 250, Material Inspection and Receiving Report. The Government will complete the receipt process via the DLMS 527R Receipt and the DLMS 861P Acceptance Report.

4. **IMPLEMENTATION TARGET:**

(1) **DLA Distribution:** Due to the transition from the current Distribution Standard System (DSS) to the Warehousing Management System (WMS), the implementation of this change is to be determined. DLA Distribution will submit a Request for Change (RFC) upon approval of this change. DLA Process Owners will then determine if this change will be implemented in the DSS or later in the WMS, after which an estimated timeline and completion date will be provided to the DEDSO.

(2) **DLA:** An estimated implementation timeline will not be available until DLA knows this PDC is approved and deadlines for implementation are required by DoD. DLA may be challenged to implement this change for Procurement based on other higher priority requirements that exist.

5. TECHNICAL IMPACT:

a. Additions or Changes to Data Elements:

(1) Update applicable notes in relevant EDI X12 Implementation Conventions to support the numerical form of the type of instrument as identified in Enclosure 2.

b. Automated Information Systems (AIS):

(1) DLA Distribution Warehousing System will require Procurement Instrument Type 3 or 9 to support OT materiel.

(2) Any Component requisitioning systems that require OT materiel must allow Type of Instrument 3 or 9.

(3) Wide Area Workflow (WAWF) must allow Type of Instrument 3 or 9.

c. Defense Automatic Addressing System (DAAS):

(1) Support end-to-end testing with impacted DoD Components.

(2) Update any mapping to allow the numerical value of 3 or 9 in the type of instrument field/ninth position of the PIID to support OT agreements.

6. PUBLICATION/POLICY IMPACT:

a. Defense Logistics Manual (DLM) 4000.25:

(1) Update the DLM 4000.25 as identified in Enclosure 1.

(2) Update the Logistics Data Resources Management System (LOGDRMS) as identified in Enclosure 3.

b. Non-DLM 4000.25 Publications: DLA Distribution may need to update receiving guides and/or standard operating procedures until this functionality is coded into the warehousing system.

7. ASSUMPTIONS: None.

8. FINANCIAL IMPROVEMENT AND AUDIT REMEDIATION (FIAR), MATERIAL WEAKNESS, AND AUDIT-RELATED INFORMATION:

a. Notice of Findings and Recommendations (NFR): Not applicable.

b. Corrective Action Plan (CAP) References: Not applicable.

c. Other FIAR, Material Weakness, and Audit-Related Information: Not applicable.

9. END-TO-END TESTING REQUIREMENTS: DLA Distribution must coordinate end-to-end testing between WAWF, GEX, and the DLA Distribution Warehousing System, and all subsequent requisitioning or warehousing systems that may have business requirements for OT materiel.

10. REFERENCES:

- a. FAR Subpart 4.16, Unique Procurement Instrument Identifiers
- b. Defense Logistics Manual (DLM) 4000.25, Volume 7, Contract Administration, April 24, 2012
- c. [Defense Pricing and Contracting, Other Transaction \(OT\) Guide](#)
- d. ADC 1161A, Update Uniform Procurement Instrument Identifier (PIID) Numbering System in Federal/DLMS Implementation Conventions and DLMS Manual

11. PROPOSED DLMS CHANGE (PDC) 1420 RESPONSE/COMMENT RESOLUTION:

	Component	Response/Comment	Disposition
1.	DAAS	Concur	As noted.
2.	USAF	None.	None noted.
3.	US Army	Concur	As noted.
4.	Army TACOM SND	Concur	As noted.
5.	USMC	None.	None noted.
6.	US Navy	Concur	As noted.
7.	DLA	Concur with Comment Comment: 1.DLA Enterprise Business System will require several enhancements to support this PDC on the Procurement side and these could be significant changes for DLA. 2.An estimated implementation timeline will not be available until DLA knows this PDC is approved and deadlines for implementation are required by DoD. DLA may be challenged to implement this change for Procurement based on other higher priority requirements	DEDSO Response. 1.Not ed. 2. Not ed.
8.	USTRANSCOM	Abstain	As noted

Enclosure 1

1. DLM 4000.25, Volume 1, Concepts and Procedures

Make the following changes to Volume 1. Additions are shown in **red bold italics** and deletions by double strikethrough text.

a. Appendix 2, Terms and Definitions

[Preceding text not shown]

PROCUREMENT INSTRUMENT IDENTIFIER (PIID). A standard unique identifier for a solicitation, contract, agreement, or order and related procurement instruments. ~~see DFARS Subpart 204.16~~ ***See FAR Subpart 4.16 for PIID policy and procedures, including allowable letter designations to identify the type of instrument.*** ~~The new identifier for call/order number under the PIID rules is designated by F in the 9th position. However, there is an exception authorized for DLA procurement instruments supporting FEDMALL to identify the delivery/call order using an M in the 9th position. The PIID call/order number is treated as a contractual agreement even when the base contract number is available. If a base PIID contract number and a PIID call/order number are available, provide the PIID call/order number (F or M PIID) only.~~ ***For Other Transactions (OT), which contain a numerical designator of 3 or 9 for the type of instrument, see the definition in this appendix or DLM 4000.25, Volume 7.***

[Intervening text not shown]

OTHER TRANSACTIONS (OT). ***Contractual instruments other than standard procurement contracts, grants, or cooperative agreements. OT agreements are identified via Type of Instrument 3 for Research OTs and Type of Instrument 9 for Prototype and Production OTs in the 9th position of the PIID.***

b. Appendix 3, Acronyms and Abbreviations

[Preceding items not shown]

<i>OT</i>	<i>Other Transactions</i>
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2. DLM 4000.25, Volume 7, Contract Administration

Make the following changes to Volume 7. Additions are shown in **red bold italics** and deletions by double strikethrough text.

a. Appendix 2, Terms and Definitions

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b. Chapter 1, Introduction

[Preceding text not shown]

C1.7. OTHER TRANSACTION (OT) AGREEMENTS

C1.7.1. Background. In 1989, Congress codified 10 United States Code (U.S.C.) 2371 to allow the DoD to carry out OT agreements. Section 2371b authorizes the DoD to carry out prototype projects using a legal instrument other than a procurement contract, grant, or cooperative agreement under the authority of section 2371. Additionally, 10 U.S.C. 2358, allows DoD to use contracts, grants, and cooperative agreements for basic research, applied research, advanced research and development projects. OT agreements do not follow the FAR and DFARS.

C1.7.2. OT Formats. OTs are comprised of three different types of agreements: Research, Prototype, and Production. DoD PIIDs for OT agreements follow the format identified in Section C1.6 except the type of instrument will use a numeric value.

- *Position 9 identifies the type of instrument under the PIID. For OT agreements, there are two viable designators.*

- *3 Research OTs*
- *9 Prototype and Production OTs*

C1.7.3. Awarding OT Agreements. If a Production OT is awarded after a successful prototype, an Agreements Officer may issue a modification to the original prototype agreement or a new contract. A new contract is identified with a C as the instrument type in the ninth position of the PIID and would be required to follow policies identified in the FAR and DFARS. Guidance on this can be found in DLM 4000.25, Volume 7, C1.6. The FAR and DFARS govern the policies for PIID and define the type of instrument and appropriate use.

Enclosure 2

Revise the following DLMS Implementation Conventions (IC) as shown.

Changes are identified by ***bold italics*** and deletions by single strikethrough text

#	Location	DLMS 511M (4010) Requisition Modification	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 6:</u> <i>- ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)</i>	Implement PIID for Other Transactions (OT)
2.	2/GF03/070 Data Element 367 - Contract Number	<u>Update DLMS Notes as follows:</u> DLMS Note: 1. Must use to identify the PIID for GFM. Refer to ADC <i>1161A</i> . 2. Use as directed by the authorizing Service/Agency to identify the PIID authorizing the contractor to purchase materiel from a Government source. Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When GFM is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. <i>For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1420.</i>	Update DLMS Notes for OT
3.	2/LIN02/100 Data Element 235 - Product/ServiceID Qualifier	<u>Update DLMS Note as follows:</u> CR Contract Number DLMS Note: Use to identify the PIID of the Federal Supply Schedule or related instrument when ordering nonstandard materiel. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. <i>For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.</i>	Update DLMS Note for OT

#	Location	DLMS 511R (4010) Requisition	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 6:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/GF03/070 Data Element 367 - Contract Number	<u>Update DLMS Notes as follows:</u> DLMS Note: 1. Must use to identify the PIID for GFM. Refer to ADC 1161A . 2. Use as directed by the authorizing Service/Agency to identify the PIID authorizing the contractor to purchase materiel from a Government source. Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When GFM is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1420.	Update DLMS Notes for OT
3.	2/LIN02/100 Data Element 235 - Product/ Service ID Qualifier	<u>Update DLMS Note as follows:</u> CR Contract Number DLMS Note: Use to identify the PIID of the Federal Supply Schedule or related instrument when ordering nonstandard materiel. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 517G (4010) Government Furnished Materiel (GFM) Validation	Reason
1.	DLMS Introductory Note	Add ADC to DLMS Introductory Note 4: - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/GF03/060 Data Element 367 - Contract Number	Update DLMS Note as follows: DLMS Note: 1. Must use to identify the PIID. Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When GFM is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 527D (4010) Due-in/Advance Receipt /Due Verification	Reason
1.	DLMS Introductory Note	Add ADC to DLMS Introductory Note 6: - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/CS01/020 Data Element 367 - Contract Number	Update DLMS Note as follows: DLMS Note: Use to identify the PIID. Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When procurement is authorized under a PIID call/order number (F in the 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT
3.	2/CS02/020 Data Element 327 - Change Order Sequence Number	Add new DLMS Note: DLMS Note: Use to identify a modification number to the cited procurement instrument. This is the Supplementary Procurement Instrument Identifier (Supplementary PIID). Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 527R (4010) Receipt, Inquiry, Response and MRA	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 6:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/CS01/020 Data Element 367- Contract Number	<u>Update DLMS Note as follows:</u> DLMS Note: Use to identify the PIID. Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When procurement is authorized under a PIID call/order number (F in the 9 th position), provide the value in the PIID field. <i>For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.</i>	Update DLMS Note for OT
3.	2/CS02/020 Data Element 327 - Change Order Sequence Number	<u>Update DLMS Note as follows:</u> DLMS Note: Use to identify a modification number to the cited procurement instrument. This is the Supplementary Procurement Instrument Identifier (Supplementary PIID). Refer to ADC <i>1161A</i> or <i>ADC 1420</i> .	Update DLMS Note for OT
4.	2/GF03/060 Data Element 367 - Contract Number	<u>Update DLMS Notes as follows:</u> DLMS Note: 1. [...] Refer to ADC <i>1161A</i> or <i>ADC 1420</i> 2. When GFM is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. <i>For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1420.</i>	Update DLMS Notes for OT
5.	2/N901/090 Data Element 128 - Reference Identification Qualifier	<u>Update DLMS Note as follows:</u> CT (Contract Number) DLMS Note: 2. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. <i>For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.</i>	Update DLMS Note for OT

#	Location	DLMS 536L (4010) Logistics Reassignment Management Data	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 5:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/CS01/030 Data Element 367 - Contract Number	<u>Update DLMS Note as follows:</u> DLMS Note: 1. Must use with the 2/HL/010 contract loop to identify the procurement instrument identifier (PIID). When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Notes for OT
3.	2/CS03/030 Data Element 328 - Release Number	<u>Update DLMS Note as follows:</u> DLMS Note: Use in the 2/HL/010 contract loop to identify the six-position Supplementary PIID when applicable. Refer to ADC 1161A or ADC 1420	Update DLMS Note for OT

#	Location	DLMS 567C (4010) Contract Completion Status (DLMS Contract Completion Statement/Unclosed Contract Status/Contract Close-out Extension)	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 7:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/CS01/050 Data Element 367 - Contract Number	<u>Update DLMS Note as follows:</u> DLMS Note: Use to identify the PIID of the procurement instrument being reported. Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT
3.	2/CS02/050 Data Element 327 - Change Order Sequence Number	<u>Update DLMS Note as follows:</u> DLMS Note: Use to identify a modification number to the cited procurement instrument. This is the Supplementary Procurement Instrument Identifier (Supplementary PIID). Refer to ADC 1161A or ADC 1420	Update DLMS Note for OT

#	Location	DLMS 810L (4010) Logistics Bill	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 7:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/REF01/120 Data Element 128 - Reference Identification Qualifier	<u>Update DLMS Note as follows:</u> CT Contract Number DLMS Note: Use to identify the procurement instrument identifier (PIID) associated with this invoice billing line. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 812L (4010) Logistics Bill Adjustment Request Reply Revision	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 5:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/LIN02/170 Data Element 235 - Product/Service ID Qualifier	<u>Update DLMS Note as follows:</u> CR Contract Number DLMS Note: Use to identify the procurement instrument identifier (PIID) for a Federal Supply Schedule or related instrument used to order nonstandard materiel. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 824R (4010) Reject Advice	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 7:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/OTI02/010 Data Element 128 - Reference Identification Qualifier	<u>Update DLMS Note as follows:</u> CT Contract Number DLMS Note: Use to identify the procurement instrument identifier (PIID). Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 842A/R (4030) Standard Supply Discrepancy Report (SDR) Reply	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 6:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/CS01/0750 Data Element 367 - Contract Number	<u>Update DLMS Note as follows:</u> DLMS Note: 1. Use to identify the procurement instrument identifier (PIID). Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When procurement is authorized under a PIID call/order number (F or M in the 9 th position), provide the value in the PIID Field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 842A/W (4030) Standard Supply Discrepancy Report (SDR), Follow-up, Correction, Cancellation, & Reconsideration Request	Reason
1.	DLMS Introductory Note	Add ADC to DLMS Introductory Note 6: - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/CS01/0750 Data Element 367 - Contract Number	Update DLMS Note as follows: DLMS Note: Use to identify the procurement instrument identifier (PIID). Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When a contract is issued under a PIID call/order number (F or M in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 842C/I (4030) Stock Screening Request	Reason
1.	DLMS Introductory Note	Add ADC to DLMS Introductory Note 3: - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/CS01/0750 Data Element 367 - Contract Number	Update the DLMS Note as follows: DLMS Note: 1. Only one procurement instrument identifier (PIID) may be identified per stock screening request. Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When procurement is authorized under a PIID call/order number (F or M in 9 th position), provide the value in the PIID field if screening for a specific call/order. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 842C/R (4030) Stock Screening Reply	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 3:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/CS01/0750 Data Element 367 - Contract Number	<u>Update DLMS Note as follows:</u> DLMS Note: Use to identify the procurement instrument identifier (PIID). Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field if screening for a specific call/order. Otherwise use the base PIID. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 842P (4030) Product Quality Deficiency Report (PQDR) Data Exchange	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 6:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/CS01/0750 Data Element 367 - Contract Number	<u>Update DLMS Note as follows:</u> DLMS Note: Used to identify the procurement instrument identifier (PIID under which the nonconforming materiel was. Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OTA

#	Location	DLMS 842S/Q (4030) Storage Quality Control Report	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 5:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/CS01/0750 Data Element 367 - Contract Number	<u>Update DLMS Note as follows:</u> DLMS Note: Use to identify the procurement instrument identifier (PIID). Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 846A (4010) Asset Reclassification	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 4:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/CS01/240 Data Element 367 - Contract Number	<u>Update DLMS Note as follows:</u> DLMS Note: 2. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 846D (4010) Logistics Reassignment Transfer and Decapitalization	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 6:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/CS01/240 Data Element 367 - Contract Number	<u>Update DLMS Note as follows:</u> DLMS Note: Use to identify the procurement instrument identifier (PIID) of the associated receipt. Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 846I (4010) Asset Status Inquiry/ Report	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 5:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/CS01/240 Data Element 367 - Contract Number	<u>Update the DLMS Note as follows:</u> DLMS Note: 2. When procurement is authorized under a PIID call/order number(F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 856P (4010) Advance Shipment Notice (ASN)	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 10:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/PRF01/050 Data Element 324 - Purchase Order Number	<u>Update DLMS Note as follows:</u> DLMS Note: Use to identify the procurement instrument identifier (PIID). Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 856R (4030) Shipment Status Materiel Returns	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 8:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/GF03/3300 Data Element 367 - Contract Number	<u>Update DLMS Note as follows:</u> DLMS Note: Must use to identify the applicable procurement instrument identifier (PIID). Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When GFM is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 856S (4030) Shipment Status	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 5:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/REF04-01/1500 Data Element - 128 Reference Identification Qualifier	<u>Update DLMS Note as follows:</u> CT Contract Number DLMS Note: 1. Must use for CAV shipment status, to identify the procurement instrument identifier (PIID) authorizing repair/return of GFP. Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. <i>For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs.</i> Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT
3.	2/GF03/3300 Data Element 367 - Contract Number	<u>Update DLMS Note as follows:</u> DLMS Note: Must use to identify the applicable procurement instrument identifier (PIID). Use the PIIN pending transition to the PIID. When GFP is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. <i>For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs.</i> Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	Federal 857 (4010) Shipment and Billing Notice (Wide Area Workflow – WAWF)	Reason
1.	2/N901/110 Data Element 128 - Reference Identification Qualifier	<u>Update Code level note as follows:</u> CT Contract Number 1. Use in Shipment loop (HL03 code S) to identify the Gaining procurement instrument identifier (PIID) for Reparable Combo Reports. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. <i>For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.</i>	Implement PIID for Other Transactions (OT)
2.	2/PRF/190 Segment, PRF Purchase Order Reference	<u>Update Segment level note as follows:</u> 1. Use to identify the Procurement Instrument Identifier (PIID). When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. <i>For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.</i>	Update DLMS Note for OT
3.	2/PRF01/190 Data Element 324 - Purchase Order Number	<u>Update Data Element level note as follows:</u> Enter the PIID. Use the legacy PIIN pending transition to the PIID. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. <i>For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.</i> Transmit this number without dashes.	Update DLMS Note for OT

#	Location	DLMS 861P (4010) Acceptance Report	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 2:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	1/PRF01/080 Data Element 324 - Purchase Order Number	<u>Update DLMS Note as follows:</u> DLMS Note: Use to identify the procurement instrument identifier (PIID). Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 867I (4010) Issue	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 7:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/REF01/030 Data Element 128 - Reference Identification Qualifier	<u>Update DLMS Note as follows:</u> CT Contract Number DLMS Note: 2. Use to identify the procurement instrument identifier (PIID). Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When GFP is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 869C (4010) Requisition Cancellation	Reason
1.	DLMS Introductory Note	Add ADC to DLMS Introductory Note 4: - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/GF03/100 Data Element 367 - Contract Number	<u>Update DLMS Note as follows:</u> DLMS Note: Use to identify the procurement instrument identifier (PIID) authorizing the contractor to receive materiel. Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When materiel is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT
3.	2/REF01/105 Data Element 128 - Reference Identification Qualifier	<u>Update DLMS Note as follows:</u> CT Contract Number DLMS Note: 1. Use to identify the procurement instrument identifier (PIID), when available. Use the legacy PIIN pending transition to the PIID. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1402.	Update DLMS Note for OT

#	Location	DLMS 869F (4010) Requisition Follow-Up	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 7:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/GF03/100 Data Element 367 - Contract Number	<u>Update DLMS Note as follows:</u> DLMS Note: Use to identify the procurement instrument identifier (PIID) authorizing the contractor to receive materiel. Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When materiel is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT
3.	2/REF01/105 Data Element 128 - Reference Identification Qualifier	<u>Update DLMS Note as follows:</u> CT Contract Number DLMS Note: Use to identify the contract number PIID or obligation Agreement number associated with the requisition. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 870S (4010) Supply Status	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 7:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/CS01/086 Data Element 367 - Contract Number	<u>Update DLMS Note as follows:</u> DLMS Note: Use to identify the procurement instrument identifier (PIID). Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When procurement is authorized under a PIID call/order number (F or M in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 940R (4030) Materiel Release	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 7:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/N901/0400 Data Element 128 - Reference Identification Qualifier	<u>Update DLMS Note as follows:</u> CT Contract Number DLMS Note: 1. Must use in GFM related transactions to provide the (PIID). Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When GFM is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. <i>For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.</i>	Update DLMS Note for OT

#	Location	DLMS 945A (4010) Materiel Release Advice	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 7:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/N901/040 Data Element 18- Reference Identification Qualifier	<u>Update DLMS Note as follows:</u> CT Contract Number DLMS Note: Use to identify the procurement instrument identifier (PIID) on shipments of GFM to the contractor. When GFP is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. <i>For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.</i> This is the PIID authorizing shipment of GFP to the contractor perpetuated from the release order (e.g., the PIID under which the property was requisitioned).	Update DLMS Note for OT

#	Location	DLMS 945A (4030) Materiel Release Advice	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 8:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/N901/0400 Data Element 128 - Reference Identification Qualifier	<u>Update DLMS Note as follows:</u> CT Contract Number DLMS Note: Use to identify the procurement instrument identifier (PIID) on shipments of GFM to the contractor. When GFM is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420. This is the PIID authorizing shipment of GFP to the contractor perpetuated from the release order (e.g., the PIID under which the property was requisitioned).	Update DLMS Note for OT

#	Location	DLMS 947I (4010) Inventory Adjustment	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 6:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/CS/050 Segment, CS (Contract Summary)	<u>Update Segment level DLMS Note as follows:</u> DLMS Note: 1. Use only with W1901 code AC inventory adjustment transactions to identify the procurement instrument identifier (PIID) and Contract Line Item Number (CLIN), or the CLIN, including the Subcontract Line Item Number (SUBCLIN), associated with the transaction. Use of this segment is a DLMS enhancement. See introductory DLMS note 4a., ADC 1161A and ADC 1420.	Update DLMS Note for OT
3.	2/CS01/050 Data Element 367 - Contract Number	<u>Update DLMS Note as follows:</u> DLMS Note: Use to identify the PIID of the associated adjustment. Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

#	Location	DLMS 947I (4030) Inventory Adjustment	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 6:</u> - ADC 1420, Other Transaction (OT) Agreements Instrument Type and Procurement Instrument Identifier (PIID) Construct (Supply/Contract Administration)	Implement PIID for Other Transactions (OT)
2.	2/CS/0500 Segment, CS Contract Summary	<u>Update Segment level DLMS Note as follows:</u> DLMS Note: 1. Use only with W1901 code AC inventory adjustment transactions to identify the procurement instrument identifier (PIID) and Contract Line Item Number (CLIN), or the CLIN, including the Subcontract Line Item Number (SUBCLIN), associated with the transaction. Use of this segment is a DLMS enhancement. See introductory DLMS note 4a., ADC 1161A or ADC 1420.	Update DLMS Note for OT
3.	2/CS01/050 Data Element 367 - Contract Number	<u>Update DLMS Note as follows:</u> DLMS Note: Use to identify the PIID of the associated adjustment. Use the legacy procurement instrument identification number (PIIN) pending transition to the PIID. When procurement is authorized under a PIID call/order number (F in 9 th position), provide the value in the PIID field. For Other Transaction (OT) agreements, the type of instrument (9th position of PIID) will be a 3 for Research OTs or 9 for Prototype and Production OTs. Refer to ADC 1161A or ADC 1420.	Update DLMS Note for OT

Enclosure 3

Logistics Data Resources Management System (LOGDRMS)

NAME:	Procurement Instrument Identifier (PIID) (Contract Number)
DEFINITION:	<p>A standard unique identifier for a solicitation, contract, agreement, or order and related procurement instruments. See DFARS Subpart 204.16 See FAR Subpart 4.16 for PIID policy and procedures, including allowable letter designations to identify the type of instrument (9th position of PIID).</p> <p>PIIDs for Other Transaction (OT) agreements must carry a 3 for Research OTs or a 9 for Prototype and Production OTs in the 9th position.</p>
DATA CODE CHARACTERISTICS:	TYPE: AN MIN: 13, MAX: 17
SOURCE:	DFARS Subpart 204.16 FAR 4.16 - Unique Procurement Instrument Identifiers
REMARKS:	The new DoD PIID is 13/13 characters in length, Federal non-DoD PIID is 13/17 characters. Refer to ADC 1161A or ADC 1420.

Enclosure 4

Authority for Use of Other Transaction Agreements

Source: Reference 9.b.



ACQUISITION
AND SUSTAINMENT

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

NOV 20 2018

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
(ATTN: SERVICE ACQUISITION EXECUTIVES)
COMMANDERS OF THE COMBATANT COMMANDS
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES
DIRECTOR OF THE DEFENSE INNOVATION UNIT

SUBJECT: Authority for Use of Other Transactions for Prototype Projects Under
10, United States Code, Section 2371b

Reference: (a) "Authority for Use of Other Transactions for Prototype Projects Under 10 U.S.C. 2371b," dated March 10, 2016
(b) Section 873 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Public Law 115-232)
(c) Joint Explanatory Statement accompanying the Department of Defense Appropriations Act, 2019 (Public Law 115-245), pages 153-154

The purposes of this memorandum are to (1) designate Components authorized to execute Other Transaction (OT) agreements as provided for in title 10, United States Code, section 2371b; (2) rescind reference (a) and replace it to expand approval authority and increase the dollar thresholds for use of OTs; and (3) establish additional data collection and reporting requirements.

I hereby designate the Directors of the Defense Agencies, the Directors of Field Activities with contracting authority, the Commanding Officers of Combatant Commands (CCMDs) with contracting authority and the Director of the Defense Innovation Unit as having the authority to carry out Prototype OTs and follow-on Production OTs as permitted by section 2371b. All previous designations to Defense Agencies and Field Activities are rescinded. The designation portion of this memorandum does not apply to the military departments, the Defense Advanced Research Projects Agency (DARPA), and the Missile Defense Agency (MDA), which have their own authorities prescribed in statute.

Approval authorities and dollar thresholds for Prototype and Production OTs are set forth below. These authorities are non-delegable above \$100 million.

Organization	Transaction Value		
	Up to \$100M	\$100M to \$500M	Over \$500M
CCMDs with contracting authority	Commanding Officer	USD(R&E) or USD(A&S)	USD(R&E) or USD(A&S)*
DAs/FAs with contracting authority/DID	Director	USD(R&E) or USD(A&S)	USD(R&E) or USD(A&S)*
Military Departments	Senior Procurement Executive	Senior Procurement Executive	USD(R&E) or USD(A&S)*
DARPA MDA	Director	Director	USD(R&E) or USD(A&S)*

** An Under Secretary must also make a written determination in accordance with section 2371b. Additionally, the Congress shall be notified at least 30 days before this authority is exercised. The Office of the Under Secretary making the written determination is responsible for Congressional notification.*

In determining the value of OTs for the purposes of assessing compliance with the authority levels set forth above, OTs will be measured based on the value of each transaction, rather than the total value of all OTs that might be executed in a prototype project or for follow-on production. That is, a prototype project may consist of multiple transactions to the same or different parties, each of which shall be considered separately when considering dollar thresholds. Transaction value shall include all options with prices established in the OTs awarded, as well as the amount associated with any cost-sharing borne by the contractor where the basis for the OT is subsection 2371b(d)(1)(C). Regardless of value, a separate OT approval will be required for each phase-prototype or follow-on production-and separately within a phase for each transaction.

It is essential that organizations with OT authority ensure Agreements Officers (AOs) are appropriately designated by the cognizant Head of the Contracting Activity and receive training needed to be successful. These organizations shall provide appropriate oversight and have processes in place to ensure that AOs do not bind the Government in OT agreements that exceed their warrant authority.

The Assistant Secretary of Defense for Acquisition (**ASD(A)**) shall establish standard reporting formats, consolidate component inputs, and transmit reports to Congress to implement data collection and reporting obligations in accordance with references (b) and (c). In the interim, components are cautioned to be mindful of the obligations set forth and take steps toward compliance with reference to any OTs executed before ASD(A) procedures are issued. Senior Procurement Executives, Directors, and the relevant Commanding Officers are responsible for ensuring data required under references (b) and (c) are accurately collected and reported in the Federal Procurement Data System-Next Generation (FPDS-NG) located at <https://www.fpds.gov>.

My point of contact for this memorandum is Ms. Jill Stiglich, Office of the Assistant Secretary of Defense for Acquisition, at 703-571-9013 or jill.e.stiglich.civ@mail.mil.


Ellen M. Lord



OFFICE OF THE SECRETARY OF DEFENSE

1500 DEFENSE PENTAGON
WASHINGTON, DC 20301-1500

NOV 20 2018

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
(ATTN: SERVICE ACQUISITION EXECUTIVES)
COMMANDERS OF THE COMBATANT COMMANDS
DIRECTORS OF THE DEFENSE AGENCIES DIRECTORS
OF THE DOD FIELD ACTIVITIES

SUBJECT: Definitions and Requirements for Other Transactions Under Title 10, United States Code, Section 2371b

The purpose of this memorandum is to establish direction for the transition of prototype Other Transactions (OTs) to follow-on Production OTs. Accordingly, this memorandum does three things: (1) provides a definition of "prototype project" in the context of OTs; (2) addresses the requirement that the prototype project phase provide for the award of a follow-on production transaction; and (3) provides a definition of "successful completion," before follow-on Production OTs may be awarded under the authority of section 2371b.

The definition of a "prototype project" in the context of an OT is as follows: a prototype project addresses a proof of concept, model, reverse engineering to address obsolescence, pilot, novel application of commercial technologies for defense purposes, agile development activity, creation, design, development, demonstration of technical or operational utility, or combinations of the foregoing. A process, including a business process, may be the subject of a prototype project.

Subsection 2371b(f) provides that a "transaction entered into under this section for a prototype project may provide for the award of a follow-on production contract or transaction to the participants in the transaction." This statute requires that advanced consideration be given and notice be made of the potential for a follow-on OT; this is a necessary precondition for a follow-on Production OT. As such, solicitation documents and the Prototype OT agreement shall include notice that a follow-on Production OT is possible.

Those organizations seeking to use the follow-on production authority provided for in subsection 2371b(f) shall apply the following definition for "successful completion." A transaction for a prototype project is complete upon the written determination of the appropriate approving official for the matter in question that efforts conducted under a Prototype OT: (1) met the key technical goals of a project; (2) satisfied success metrics incorporated into the Prototype OT; or (3) accomplished a particularly favorable or unexpected result that justifies the transition to production. Furthermore, successful completion can occur prior to the conclusion of a prototype project to allow the Government to transition any aspect of the prototype project determined to provide utility into production while other aspects of the prototype project have yet to be completed. Any Prototype OT shall contain a provision that sets forth the conditions under which that prototype agreement must be successfully completed.

Finally, as amended in the John S. McCain National Defense Authorization Act for FY 2019, section 2371b now expressly requires higher level approval before use of section 2371b authority for a Prototype OT or a Production OT. Regardless of value, this approval is required separately for each phase—prototype or follow-on production—and separately within a phase for each transaction.

My point of contact for this memorandum is Ms. Jill Stiglich, Office of the Assistant Secretary of Defense for Acquisition, at 703-571-9013 or jill.e.stiglich.civ@mail.mil and Ms. Ellen Purdy, Office of the Under Secretary of Defense for Research and Engineering, 571-372-7545 or ellen.m.purdy.civ@mail.mil.



Ellen M. Lord
Under Secretary of Defense
for Acquisition and Sustainment



Michael D. Griffin
Under Secretary of Defense
for Research and Engineering