



Defense Logistics Agency **INSTRUCTION**

DLAI 4140.08
Effective March 11, 2015

Accountable Office: HQ J342

SUBJECT: DLA Retail Supply Chain Materiel Management Policy

References: Refer to Enclosure 1

1. PURPOSE. This Instruction:

- a. Replaces DLA Directive Type Memorandum (DTM) 14-004 (Reference (a)) in accordance with (IAW) the guidance in DLAI 5025.01 (Reference (b)) and the authority in DoD Instruction (DoDI) 4140.01 (Reference (c)) and DLA General Order 13-13 (Reference (d)).
- b. Establishes policy, assigns responsibilities, and implements high-level procedures for executing the retail mission in support of Military Services' depot maintenance Supply, Storage, and Distribution (SS&D) functions by extending DLA's existing order fulfillment, planning, procurement, technical/quality, and distribution processes, and tools.
- c. Establishes a HQ DLA Enterprise Retail Process Owner within DLA Logistics Operations (J3) to oversee DLA retail materiel management within the DLA Supply Chain.

2. APPLICABILITY. This Instruction applies to

- a. DLA Logistics Operations (J3), DLA Acquisition (J7), DLA Finance (J8), DLA Distribution, DLA Aviation, DLA Land & Maritime, DLA Troop Support, DLA Industrial Support Activities (ISAs); specifically, to the Demand Chain Owners responsible for the direct management of an ISA. It applies to items of supply required for support by the retail industrial customer for which Enterprise Business System (EBS) is the materiel management system of record and DLA provides the full range of retail SS&D support functions.
- b. This Instruction does not apply to items which EBS is not the materiel management system of record. The appropriate service should provide the DLA workforce with systems, policies, processes, procedures and training for carrying out their retail management responsibilities.

3. DEFINITIONS. See Glossary.

4. POLICY. It is DLA policy to:

a. Provide best-value materiel and services at service industrial locations supporting maintenance lines focused on sustaining readiness.

b. Manage retail materiel as part of a high-performing and agile supply chain responsive to customer retail requirements while balancing risk and total cost.

c. Optimize resources for DLA retail materiel management through collaboration among HQ DLA, DLA Primary Level Field Activities (PLFA), and Military Service Industrial Customers. DLA retail investment must be sufficient to respond to retail maintenance needs.

d. Conduct Performance and cost evaluations of retail supply chain operations, inventory, and revenue periodically to ensure assets are efficiently and effectively available for use or reuse in the supply chains to satisfy customer requirements.

e. All changes and updates to this DLAI will be presented to the HQ DLA Retail Process Owner for informal coordination among DLA principals (reference Enclosure 2 of this Instruction). Any substantive changes shall be coordinated, revised, and reissued with a new publication date and signature IAW (Reference (b)).

5. RESPONSIBILITIES. Refer to Enclosure 2.

6. PROCEDURES. Refer to Enclosure 3.

7. INFORMATION REQUIREMENTS. None.

8. INTERNAL CONTROLS.

a. Monitor performance metrics through monthly analysis and status reports, periodic meetings of principals led by the HQ DLA Enterprise Retail Process Owner, and routine communications among Business Process Analysts and Subject Matter Experts.

b. Conduct annual retail site visits, led by the Demand Chain Owner (DCO) and/or DLA Distribution with support from the DLA HQ Process Owners, to monitor compliance with this instruction. In cases of non-compliance, a follow-up visit will be scheduled within six months from the date of the original site visit.

9. RELEASABILITY. UNLIMITED. This instruction is approved for public release and is available on the Internet from the DLA Issuances Internet Website.

10. EFFECTIVE DATE. This Instruction

a. Is effective on March 11, 2015.

b. Must be reissued, cancelled, or certified current within 5 years of its publication IAW DLAI 5025.01, DLA Issuance Program. If not, it will expire effective March 11, 2025 and be removed from the DLA Issuances Website.

PHYLLISA S. GOLDENBERG
Director, DLA Strategic Plans and Policy

Enclosure(s)

Enclosure 1 – References

Enclosure 2 – Responsibilities

Enclosure 3 – Procedures

Glossary

TABLE OF CONTENTS

ENCLOSURE 1: REFERENCES.....6

ENCLOSURE 2: RESPONSIBILITIES.....7

 The DIRECTOR, DLA LOGISTICS OPERATIONS (J3)7

 The EXECUTIVE DIRECTOR, SUPPORT (J34)7

 The DLA INVENTORY DISTRIBUTION NETWORK (J342).....7

 The DIRECTOR, DLA ACQUISITION (J7)9

 The DIRECTOR, DLA FINANCE (J8).....9

 The COMMANDERS, DLA AVIATION, LAND & MARITIME, and TROOP SUPPORT
 When Serving as a Demand Chain Owner (DCO) 10

 The COMMANDERS, DLA INDUSTRIAL SUPPORT ACTIVITIES11

 The COMMANDERS, DLA AVIATION, LAND & MARITIME, and TROOP SUPPORT
 When Serving as a Supply Chain Owner (SCO) 12

 The COMMANDER, DLA DISTRIBUTION.....13

ENCLOSURE 3: PROCEDURES.....15

 ORDER FULFILLMENT.....15

 ORDER MANAGEMENT15

 INVENTORY MANAGEMENT17

 CUSTOMER RELATIONSHIP MANAGEMENT18

 PLANNING19

 DEMAND PLANNING.....19

 COLLABORATION.....19

 SUPPLY PLANNING20

 INVENTORY DISTRIBUTION NETWORK23

 TECHNICAL AND QUALITY ASSURANCE MANAGEMENT25

 MATERIEL MASTER MAINTENANCE.....25

 MATERIEL SOURCING INFORMATION25

 SUPPLIER EVALUATION26

 TECHICAL ADVICE and GUIDANCE26

 STORAGE AND DISTRIBUTION MANAGEMENT.....26

 RECEIPT of MATERIEL.....27

 PICKING and ISSUING MATERIEL27

 PACKING MATERIEL.....28

 DELIVERY and TRANSPORTATION28

 RETURN and ASSET HANDLING29

 WAREHOUSING29

 DISPOSITION29

 PHYSICAL INVENTORIES.....30

 MATERIEL DISCREPANCIES30

 FINANCIAL MANAGEMENT31

 CONTRACT MANAGEMENT31

 DATA/METRICS33

GLOSSARY	35
PART I: ABBREVIATIONS AND ACRONYMS	35
PART II: DEFINITIONS.....	38

ENCLOSURE 1

REFERENCES

- (a) DLA DTM 14-004, "DLA Retail Support Policy," July 3, 2014 (hereby cancelled)
- (b) DLAI 5025.01,"DLA Issuances Program," January 04, 2013
- (c) DLAM 5025.01, "DLA Writing Style Guide and Preferred Usage for DLA Issuances," January 4, 2013
- (d) DoDI 4140.01, "DOD Supply Chain Materiel Management Policy," December 14, 2011
- (e) DLA General Order 13-13, November 26, 2013
- (f) DoD Manual 4100.39-M-V10, "Federal Logistics Information System (FLIS) Procedures," October 2010
- (g) DLAI 4145.11, "Storage and Handling of Hazardous Materiels," January 13, 1999
- (h) DLAI 4145.4, "DLA Stock Readiness Regulation," November 9, 2012
- (i) DoD 7000.14-R, "Financial Management Regulation," Vol 11b, Chap 15, "Supply Management Activities," revised December 2010
- (j) DoD Directive 5134.12, "Assistant Secretary of Defense for Logistics and Materiel Readiness (ASD(L&MR))," May 25, 2000
- (k) DoD Directive 5106.01, "Inspector General of the Department of Defense," September 25, 2006
- (l) Department of Defense Federal Acquisition Regulation Supplement (DFARS) Subpart 246.8 http://www.acq.osd.mil/dpap/dars/dfars/html/current/246_8.htm#246.870-3, December 26, 2014
- (m) DLAI 4140.01, "Defense Logistics Agency (DLA) Packaging Program," September 8, 2014
- (n) DLAI 3210, "Organic Manufacturing," August 20, 2003, Modified March 3, 2010
- (o) Federal Acquisition Regulation Subpart 6.302-2, "Unusual and Compelling Urgency," December 26, 2014

ENCLOSURE 2

RESPONSIBILITIES

1. The DIRECTOR, DLA LOGISTICS OPERATIONS (J3) must:

a. Establish and develop implementing guidance on all matters relating to DLA retail supply chain materiel management.

b. Be accountable for high-level DLA policy, responsibilities, and procedures in appropriate DLA Issuances on all matters relating to DLA retail materiel management.

2. The EXECUTIVE DIRECTOR, SUPPORT (J34). The J34, under the authority, direction, and control of the DIRECTOR, DLA LOGISTICS OPERATIONS (J3), must:

a. Administer high-level DLA policy, responsibilities, and procedures in appropriate DLA Issuances on all matters relating to DLA retail supply chain materiel management.

b. Determine the methodology for DLA retail materiel management within the parameters provided in this policy.

c. Establish a HQ DLA Enterprise Retail Process Owner.

d. Govern the HQ DLA J3 Enterprise Process Owners [Order Fulfillment (Order Management and Inventory Management), Inventory Distribution Network, Planning, and Technical and Quality Assurance] in all matters of DLA retail materiel management and ensure that all policies, processes and procedures are executed for accuracy and to achieve positive retail customer support.

e. Ensure applicable regulations and implementing procedures are revised to ensure compliance with this Instruction.

f. Offer support and guidance when retail site visits are planned and accomplished by the Demand Chain Owner or DLA Distribution.

3. The DLA INVENTORY DISTRIBUTION NETWORK (J342). The J342, under the authority, direction, and control of the EXECUTIVE DIRECTOR, SUPPORT (J34) must:

a. Serve as the HQ DLA Enterprise Retail Process Owner for DLA retail materiel management.

b. Manage and maintain high level DLA policies, responsibilities, and procedures in appropriate DLA Issuances on all matters relating to DLA retail materiel management.

- c. Collaborate with DLA PLFAs to evaluate any changes in processes and procedures that may affect DLA retail materiel management.
- d. Ensure all appropriate regulations and implementing procedures are revised and comply with this Instruction.
- e. Provide approval authority for any maintenance, update, coordination, and publication of this DLAI that may affect the DLA Enterprise.
- f. Review the overall effectiveness and efficiency of DLA retail materiel management and continually develop improvements.
- g. Define the parameters for the management of an item as retail by DLA.
- h. Set and maintain processes and parameters for multi-echelon level setting, to include controlling the configuration of the level setting tool, and coordinating and prioritizing taskings to the office of DLA Operations Research Resource Analysis for scenario/analysis of recommended changes to the tool.
- i. Maintain processes and parameters for holding a level of protected stock for use exclusively by the local retail industrial customer.
- j. Establish and maintain the DLA Inventory Distribution Network to ensure retail support.
- k. Maintain system designs and tables unique to DLA retail materiel management.
- l. Coordinate with the J31 National Account Managers to ensure the alignment of the retail performance metrics and goals included within the Performance Based Agreements negotiated between HQ DLA and the Services.
- m. Ensure retail order fulfillment (order management and inventory management) and customer relationship policies and processes are established, maintained, and continually reviewed for improvement.
- n. Ensure retail technical and quality policies and processes are established, maintained, and continually reviewed for improvement.
- o. Ensure retail supply and demand planning and customer collaboration policies and processes are established, maintained, and continually reviewed for improvement.
- p. Ensure retail financial policies and processes are established, maintained, and continually reviewed for improvement.
- q. Ensure contracting policies and processes are established, maintained, and continually reviewed for improvement, as necessary, with regard to retail management.
- r. Ensure retail receipt, storage, and distribution policies and processes are established, maintained, and continually reviewed for improvement.

4. The DIRECTOR, DLA ACQUISITION (J7) must:

- a. Implement the policy and procedures in this DLAI.
- b. Ensure DLA J7 Issuances comply with this Instruction.
- c. Ensure contracting instructions, policies, and procedures support this Instruction, and/or enhance system functionality for retail customer support.
- d. Coordinate with the DLA Enterprise Retail Process Owner on any changes in acquisition practices that may affect DLA retail materiel management.
- e. Advise and assist on matters relating to acquisition that may affect this Instruction.
- f. Provide and maintain a single contract writing tool for Supplier Relationship Management that meets the unique automation and regulatory needs of DLA's complex high-volume acquisition and contracting operations.
- g. Provide both automated and manual Purchase Requisition (PR)/Purchase Order processing to obtain the maintenance materiel IAW customer requirements.
- h. Comply with and support the execution of emergency retail buys (ERBs) or retail organic manufacturing requests (ROMs), to include pre-and post-award functions, IAW current processes and procedures when DLA is unable to fulfill the urgent requirements through any of the unfilled order processing methods.
- i. Comply with and support the execution of retail stock buys (RSBs) or ROMs as requested by the ISA in anticipation of the receipt of customer orders that will precede the receipt of a materiel replenishment, to include pre- and post-award functions, IAW current processes and procedures.
- j. Provide advice and assistance on matters relating to preventing the acquisition of counterfeit electronic parts covered by (Reference (j)).
- k. Establish procurement policies, procedures, and guidance to prevent the procurement of counterfeit electronic parts in IAW the Department of Defense Federal Acquisition Regulation Supplement (DFARS).

5. The DIRECTOR, DLA FINANCE (J8) must:

- a. Implement the policy and procedures in this DLAI.
- b. Revise J8 Issuances to comply with this Instruction.
- c. Develop any additional retail financial instructions, policies, and procedures to support this Instruction in coordination and/or enhance system functionality for retail customer support.

d. Coordinate with the DLA HQ Enterprise Retail Process Owner on any changes in financial practices that may affect DLA retail materiel management.

e. Advise and assist on matters relating to retail financial issues that may affect this Instruction.

f. Implement a method of reimbursing DLA for any products and services provided by DLA in accomplishing DLA retail materiel management for the service industrial customer.

g. Ensure the retail obligation authority requirement in support of DLA retail materiel management, to include Full-Time Equivalent positions, is submitted and coordinated by the Supply Chain Owners (SCOs) for inclusion in the Supply Chain Management Program and Budget Review (SCM PBR) submission process.

6. The COMMANDERS, DLA AVIATION, DLA LAND & MARITIME, and DLA TROOP SUPPORT, when serving as a DCO, must:

a. Act as the Office of Primary Responsibility and managing activity for the ISAs under their command, providing direction and assistance on DLA retail materiel management IAW this Instruction.

b. Execute the policy and procedures in this Instruction.

c. Develop and maintain DLA retail materiel management processes and procedures in appropriate DLA Issuances that implement, but do not change the intent of, the policy and procedures in this Instruction. Supplemental local issuances are acceptable as long as the direction in this Instruction is maintained.

d. Monitor the overall effectiveness and efficiency of DLA retail materiel management and continually develop improvements for the ISAs under their command.

e. Collaborate with the HQ DLA Enterprise Retail Process Owner when considering any change in processes or procedures that may affect DLA retail materiel management.

f. Ensure the proper execution of all appropriate regulations and DLA materiel management policies, processes and procedures for DLA retail materiel management.

g. Inform DLA HQ, all PLFAs, and ISAs for any new or modified local processes, procedures, Standard Operating Procedures (SOPs) or Job Aids that may impact retail materiel management.

h. Provide Subject Matter Experts as resources for maintaining and sharing knowledge in specific areas of DLA retail materiel management.

i. Establish performance standards and metrics with the guidance from DLA HQ and in coordination with service providers to include DLA Distribution HQ, to measure DLA retail materiel management support using Memorandums of Agreement.

j. Establish performance target goals with guidance from DLA HQ and in coordination with retail customers and service providers to include DLA Distribution HQ, to evaluate and assess DLA retail materiel management performance.

k. Recommend and prioritize policy and system changes in support of DLA retail materiel management to the HQ DLA Enterprise Retail Process Owner.

l. Ensure enterprise DLA retail materiel management order fulfillment functions are conducted in direct support of specific military service industrial customers.

m. Ensure enterprise DLA retail materiel management Customer Relationship Management (CRM) functions are conducted in direct support of specific military service industrial customers.

n. Ensure enterprise DLA retail materiel management supply and demand planning, and collaboration functions are conducted in direct support of specific military service industrial customers.

o. Ensure enterprise DLA retail materiel management technical and quality assurance functions are conducted in direct support of specific military service industrial customers.

p. Ensure enterprise DLA retail materiel management contracting functions are conducted in direct support of specific military service industrial customers.

q. Ensure enterprise DLA retail materiel management storage and distribution functions are conducted at an ISA in direct support of specific military service industrial customers (Air Force only).

r. Plan and accomplish retail site visits with the support of DLA HQ J34 as required.

7. The COMMANDERS, DLA INDUSTRIAL SUPPORT ACTIVITIES, under the authority, direction, and control of the COMMANDER, DLA AVIATION, LAND & MARITIME, or TROOP SUPPORT, when serving as a DCO, must:

a. Execute the policy and procedures in this Instruction.

b. Assist PLFAs in developing DLA Issuances that implement, but do not change the intent of, the policy and guidance in this Instruction. Supplemental local issuances are acceptable as long as the direction in this Instruction is maintained, and all PLFAs and the DLA Enterprise Retail Process Owner are made aware of such supplemental issuances.

c. Function as the single face to the retail customer for all DLA business areas for day-to-day retail supply chain management functions.

d. Perform day-to-day retail supply management functions, as outlined under the procedures in this document, regardless of the item's Integrated Materiel Manager (IMM) with the exception of hazardous materiel and nuclear weapons-related materiel.

e. Manage Military Supply/Materiel Management System records and process outcomes for inventory.

f. Direct the review of systemically recommended multi-echelon stock levels and the execution of actions necessary to adjust stock levels IAW current level setting policies and procedures.

g. Direct the creation of new retail Stock Keeping Units (SKUs) with appropriate stock levels IAW current processes and procedures.

h. Direct the retention of stock for retail items to ensure exclusion from disposal IAW current retention policy.

i. Direct accurate future demand planning by gathering customer intelligence and analyzing supportability information, capturing depot production requirements, and creating and managing ISA demand forecasting units (DFUs).

j. Direct the execution of local procurement ERBs or ROMs, to include pre- and post-award functions IAW current processes and procedures when DLA is unable to fulfill urgent requirements through any of the unfilled order processing methods.

k. Direct the execution of local procurements for other Service managed items (Navy), RSBs or ROMs, to include pre- and post-award functions, by the Supply Chains, IAW current processes and procedures when there is an expectation of receipt of customer orders to precede the receipt of materiel replenishment.

l. Direct SCO Planning personnel and DLA HQ J342 Inventory Distribution Network, through the Demand Chain Owner, to ensure timely and accurate processing and receipt of due-in materials via new procurement or Stock Transport Orders.

m. Establish performance standards and measures with attainable target goals with DLA Distribution HQ and the DCO, with guidance from DLA HQ, to measure local levels of performance as needed.

n. Inform the HQ DLA Enterprise Retail Process Owner when considering any change in processes or procedures that may affect DLA retail materiel management.

o. Manage the overall effectiveness and efficiency of DLA retail materiel management and continually develop improvements for the ISA under their Command.

8. The COMMANDERS, DLA AVIATION, LAND & MARITIME, and TROOP SUPPORT, when serving as a SCO, must:

a. Implement the policy and procedures in this DLAI.

b. Ensure all appropriate regulations and implementing procedures are revised to ensure compliance with this Instruction.

c. Support the DCO and the ISAs in meeting target goals and standards for measuring DLA retail materiel management performance as agreed upon by DLA Distribution HQ and the DCO, with guidance provided by HQ DLA.

d. . Comply with and support the execution of retail stock buys (RSBs) or ROMs as requested by the ISA in anticipation of the receipt of customer orders that will precede the receipt of a materiel replenishment, to include pre- and post-award functions, IAW current processes and procedures.

e . Comply with and support the execution of ERBs or ROMs, to include pre-and post-award functions, IAW current processes and procedures, and to meet customer needs when DLA is unable to fulfill the urgent requirements through any of the unfilled order processing methods.

f. Perform DLA retail materiel management order fulfillment (order and inventory management) functions for all retail items for which they are the supply chain manager.

g. Perform DLA retail materiel management supply and demand planning functions for all retail items for which they are the supply chain manager.

h. Perform DLA retail materiel management technical and quality assurance functions for all retail items for which they are the supply chain manager.

i. Perform routine DLA retail materiel management contracting functions for all retail items for which they are the supply chain manager.

j. Submit retail obligation authority requirements IAW with the cost allocation matrix, in support of DLA retail materiel management, to include Full-time Equivalent positions, for inclusion in the SCM PBR submission process. Submit retail sales and costs estimates for the Local Recovery Rate for inclusion in the SCM PBR process (currently only applicable to the Air Force SS&D ISAs).

k. Coordinate with the HQ DLA Enterprise Retail Process Owner on any changes in distribution processes or procedures that may affect DLA retail materiel management.

9. The COMMANDER, DLA DISTRIBUTION must:

a. Execute the policy and procedures in this DLAI.

b. Ensure all appropriate regulations and implementing procedures are revised to ensure compliance with this Instruction.

c. Support any retail requirement identified by the Military Service or PLFA if given funding for the appropriate level of work.

d. Maintain system designs and tables in Defense Standard System (DSS) which serves as DLA's primary warehouse and distribution management solution.

- e. Provide receipt, storage, and distribution functions for DLA retail materiel management (Navy).
- f. Ensure that storage and distribution support to the industrial maintenance customer at the operational site and the DLA ISA supporting that customer is the collocated distribution center's primary mission focus unless contingency operations dictate otherwise.
- g. Support the DCO and the ISA in meeting the performance targets agreed upon among DLA Distribution HQ, the retail industrial customer, and the DCO with guidance from DLA HQ.
- h. Maintain the accuracy of DSS inventory records as it is the inventory system of record and ensure the ability to update service/agency inventory management systems through interface as required.
- i. Coordinate with the HQ DLA Enterprise Retail Process Owner on any changes in distribution processes or procedures that may affect DLA retail materiel management.
- j. Plan and accomplish retail site visits with the support of DLA HQ J34 as required.

ENCLOSURE 3

PROCEDURES

1. ORDER FULFILLMENT

a. Order Management

(1) Retail Sales Orders (SOs)

- (a) Create and maintain a Customer Master Record for each customer in EBS.
- (b) Systemically recognize and process retail industrial customer SOs in real-time.
- (c) Manually create and process retail SOs for urgent ISA requirements as post-post actions when applicable systems are non-operational or not available.
- (d) Process retail SOs for any DLA managed item in DLA's EBS (Air Force).
- (e) Process retail SOs for any DLA managed, other service/agency managed, local stock numbered (LSN), and Unit of Use items in DLA's EBS (Navy).

1. Other service/agency managed items supported by DLA

a. SOs must be submitted as DLA-funded outbound requisitions to the IMM to obtain the required materiel.

b. Modifications or cancellations must be systemically passed to the IMM.

2. Less than FLIS Unit of Issue (Unit of Use)

a. SOs must be systemically processed and filled as requested.

b. Trigger a systemic creation of a LSN for Unit of Use materiel if conversion factor was previously documented in EBS.

3. Review and process Performance-Based Logistics and Fourth Party Logistics materiel requests when the provider is unable to provide support (Navy).

(f) Transmit all transaction status to the retail customer for all retail orders.

(g) Stock protected for sole use by the local retail industrial customer may be used for non-retail customer requirements under specific emergency circumstances IAW existing processes and procedures.

(h) Coordinate and resolve rejected SOs with the ISA.

(i) Use prescribed unfilled order processing methods to manage, prioritize, and resolve SOs that cannot be filled with stock on-hand and are systemically placed on backorder .

(j) Procure, receipt into DLA ownership, and protect materiel for the requisitioning ISA when retail customer directly submits unplanned orders.

(k) Receive, validate, and process Materiel Obligation Validations (MOVs) to the IMM, regardless of the originator.

1. Perform the MOVs for DLA funded Service Managed Procurement orders from other sources of supply.

2. Use alternate manual MOVs for validation in required requisitioning scenarios between DLA and other sources of supply and take any appropriate action.

3. Track and maintain retail transactions from other service/agency using the MOV Tracking Report.

(2) Emergency Retail Buy (ERB) Local Procurement and Retail Organic Manufacturing (ROM)

(a) Use ERB and ROM requests as viable solutions to meet emergency supply needs when DLA is unable to fill requirements through any of the prescribed unfilled order processing methods IAW existing local procurement guidance and procedures.

(b) Submit ERB and ROM packages to the appropriate technical authority for coordination and review IAW with established procedures.

(c) Prepare complete ERB and ROM packages to include all required documentation IAW established procedures.

(d) Communicate issues regarding supportability of any quantity beyond the initial emergency local procurement quantity to DLA Supply Planning personnel IAW with established procedures.

(3) Retail Requisition Alerts [(RAs) (Navy)]

(a) Systemically recognize and process RAs to preposition stock for future consumption.

1. Validate and execute RAs if warranted.

2. Preposition and protect materiel on-hand at the collocated distribution center for valid RAs.

3. Obtain materiel via Stock Transport Order (STO) or procurement, preposition and protect materiel at the appropriate ISA for valid RAs when there is no stock on-hand at the collocated distribution center.

4. Procure, receipt into DLA ownership, and protect materiel for valid RAs for unplanned items for the requesting ISA.

5. Submit DLA-funded outbound requisitions to the IMM for valid RAs for other service/agency managed items to obtain the required materiel.

(b) Process cancellation requests for RAs only if the materiel is not already in protected status or funded requisitions are not in shipped status.

b. Inventory Management

(1) The DSS will be the DLA accountable inventory record for all DLA owned materiel managed in EBS.

(a) Maintain inventory accounting processes for accurate retail stock balances IAW existing processes and procedures.

(b) Investigate and resolve discrepancies reported between inventory value and/or quantity in the warehouse system and the materiel management system for DLA and non-DLA managed consumables and LSNs IAW existing processes and procedures.

1. Research and resolve materiel movement discrepancies within the ISA.

2. Ensure that the appropriate records post for all materiel receipts, transfers, and issues related to requisitions, disposals, loans, tests, issue denials, etc.

3. Provide notification of any request for inventory action for retail stocks, to include out-of-balance adjustments, inventories, or location surveys, in report format to storage and distribution personnel.

4. Research and resolve any inventory balance discrepancies resulting from warehouse denials for DLA managed, non-DLA consumables, and LSNs.

(c) Perform adjustments for inventory balances between DSS and Systems, Applications, and Products (in Data Processing) within defined time period from notification by DSS IAW existing process and procedures.

1. Verify that inventory adjustments for less than the unit of issue systemically process to reflect the appropriate materiel movement type (Navy).

2. Confirm protection and adjust inventory balances for validated RA materiel prepositioned and protected at the appropriate ISA (Navy).

3. Preposition retail materiel in a point of use (POU) location in the maintenance area for immediate use by the local industrial customer as required (Air Force).

(2) Receive, process, and resolve quality notifications for customer and depot

discrepancy reports related to a specific customer order or contract number (e.g. supply, product quality, storage, and transportation discrepancies) IAW existing processes and procedures.

(3) Process and provide corrective action for appropriate and timely disposition for Supply Discrepancy Reports (SDRs) for retail materiel IAW existing processes and procedures.

(4) Correct inventory records in EBS when necessary IAW existing processes and procedures.

c. Customer Relationship Management

(1) Collaborate with the military customer on all issues that may facilitate communications, transactions, and collaboration and lead to improved customer support.

(a) Use standard processes and strategies across the enterprise in communication with customers.

(b) Perform research, take action, annotate results, and retain contact information provided for all customer issues, from initiation to resolution.

(2) Identify critical customer requirements in terms of warfighter readiness.

(a) Integrate Planning and Order Fulfillment processes to coordinate demand plans and sustainment criteria to achieve customer targeted outcomes.

(b) Identify logistical problems relating to supplies or services to ensure proper levels of customer support for current and future weapons system sustainment plans.

(c) Research proactively in anticipation of potential increases or decreases in customer requirements to ensure a more accurate demand forecast.

(d) Create and evaluate requests for breach of protected stock to resolve unfilled orders IAW established criteria.

(3) Establish communication between DLA and the local industrial customer to ensure overall success of DLA/customer relationships.

(a) Address customer issues, performance reviews, and develop corrective measures in information exchanges.

(b) Provide frequent opportunity for discussion of current or future customer support requirements and the ability of DLA to support them.

(c) Obtain true retail customer production control needs to ensure accurate creation and maintenance of Materiel Master Records (MMRs).

(4) Provide overall weapon system and/or commodity product line support for weapons

systems readiness and/or commodity logistics operational customer support initiatives and programs.

2. PLANNING

a. Demand Planning

(1) Obtain accurate retail demand through research and analysis of supportability information.

(2) Engage retail industrial customers to facilitate demand forecasting.

(3) Establish DFUs down to the lowest echelon level for demand planning.

(4) Create and manage Demand Plans IAW with established procedures for DLA managed consumables (Air Force and Navy), and for non-DLA managed consumables and LSNs (Navy).

(a) Perform Demand Plan validation requests to review demand forecasts with significant variance in quantity or dollar value IAW current policies and procedures.

(b) Include additive intelligence to create the Enriched Demand Plan and to improve the net forecast for a DFU.

(c) Adjust raw demand history to refine demand data and the statistical forecast.

(d) Use provisioning, if applicable, through Supply Support Requests to incorporate future demand into the demand plan for a given National Item Identification Number.

(e) Incorporate demand and forecasting data submitted by the retail industrial customer either systemically, through manual demand intelligence, or through the Dominant DFU Process into the DLA Demand Plan.

(5) Evaluate and analyze Demand Plan Performance results to determine trends and historical demand patterns.

(6) Review and resolve Demand Planning Exceptions.

(7) Do not incorporate RAs into EBS demand planning (Navy).

b. Collaboration

(1) Collaborate with Military Services IAW Memorandums of Agreement negotiated between DLA and service customer.

(2) Collaborate with the Military Services to validate retail demand and ensure the most current demand data.

(3) The retail industrial customer may submit demand and forecasting data.

(a) The customer may submit demand data systemically through collaboration functionality using Demand Data Exchange [DDE (Air Force)] or Gross Demand Plan [GDP (Navy)].

(b) The customer may impart demand intelligence on unexpected demand increase or decrease through multiple means (e.g. summits, Demand Consensus Meetings, status meetings, and inquiries).

(c) Perform adjustments to the demand plan for a retail item based upon information obtained through collaboration.

(4) Allocate collaboration data to the lowest DFU.

(5) Manage demand issues for collaborative DLA managed items, non-collaborative DLA managed items when identified as Dominant DFU, non-DLA managed items (Navy), and LSNs (Navy) to resolution.

c. Supply Planning

(1) Identifying a Retail Item

(a) Identify LSN and Non-DLA managed items as retail if they meet activity based criteria of a specific amount of demand activity occurring over an identified timeframe at a specific retail location (Navy).

(b) Establish the appropriate stock levels to support the local industrial customer for newly created retail items.

(c) Remove retail designation from an item only if it is verified with the ISA that this action is in the best interest of the retail industrial customer.

(2) Forecastability and Stockability

(a) Execute the processes and procedures for determining the Forecastability and Stockability of a retail item to determine how to accurately plan and stock the item.

(b) Create Supply Plans for non-DLA managed consumables and LSNs (Navy).

(3) Supportability

(a) Collaborate with Demand and Supply Planning personnel to mitigate gaps in current materiel support.

(b) Use RSBs and ROMs when specific criteria are met.

1. Consider local procurements for materiel from alternative sources of supply when necessary to continue retail materiel support and avoid future stock shortages.

2. Execute RSB and ROM requests for local retail support if there is a prediction of future backorders and/or an imminent expectation of emergency orders, and actions are justified.

3. Ensure RSB and ROM packages prepared to avoid future backorders are complete and contain all required documentation IAW established procedures.

(c) Create manual PRs to initiate unplanned orders for LSNs and other Service managed items as required (Navy).

(d) Process issues impacting immediate supply needs to resolution.

(e) Identify, research, take expedite actions, and document delinquent due-ins.

(4) Sustainability

(a) Mitigate potential sustainability constraints across all IMM for established and future shop workloads and special projects.

(b) Research and validate customer demand intelligence for incorporation into the Supply Plan.

(c) Perform Materiel Support Planning for long range, mid-range, and short term periods to ensure materiel availability and serviceability.

(d) Manage Supply Plans for non-DLA managed consumables and LSNs (Navy).

1. Analyze Supply Plans to determine shortages that resulted from customer collaboration reviews.

2. Review and process supply planning workflows to minimize excess inventories and maintain financial investments at the correct levels.

3. Review current inventories and purchase requisitions to propose adjustments, cancellations, and consolidation of existing Purchase Requisitions to minimize local procurement actions.

4. Coordinate with Acquisition to ensure long-term contracts are modified to ensure that the item is procured for central stocking in support of the retail industrial customer.

(e) Analyze and recommend action for PRs systemically blocked for review.

(f) Manage Industrial Prime Vendor materiel to ensure that items are readily available at the POU.

(g) Recommend stocking Acquisition Advice Code H items, which are normally supplied to the customer as Customer Direct (CD), as DLA Direct (DD) at the DLA Distribution Center (DC) collocated with the retail industrial customer that has the item requirement.

(h) Validate materiel movements in response to RA signals and request manual STOs as needed.

(5) Materiel Returns, Retention, and Disposition

(a) Accept and process any transactions for returned DLA managed retail materiel that is no longer needed by the retail industrial customer; ensure materiel is in Ready for Issue (RFI) condition and unopened packaging with appropriate receipt documentation IAW the modified DLA Materiel Returns Program that specifically addresses retail customer returns.

1. Provide credit for the return IAW current criteria addressed in the modified DLA Materiel Returns Program for retail items.

2. Provide credit, if warranted, for materiel returned in unit of use only if the original issue was in unit of use and the return is within the allotted timeframe.

(b) Accept and process the proper transactions to the IMM for returned non-DLA managed retail materiel that is no longer needed by the retail industrial customer; ensure materiel is in RFI condition and unopened packaging with appropriate receipt documentation IAW current procedures established.

(c) Submit requests and receive approval for retention of retail stocks above the authorized retention level to HQ DLA J343 IAW DLA retention policy.

(d) Provide disposition instructions for DLA owned retail materiel to the appropriate office for action IAW existing DLA policies and procedures.

(e) Apply and maintain life-cycle management controls to detect, remediate, and determine appropriate disposition of counterfeit materiel within the DoD supply chain.

1. Document all occurrences of suspect and confirmed counterfeit items in the appropriate reporting system to include the Government-Industry Data Exchange Program.

2. Notify DoD criminal investigative organizations, other DoD law enforcement or security authorities, and users of the suspect and confirmed counterfeit items of all incidents at the earliest opportunity.

3. All confirmed cases of counterfeit items will be investigated and remedies obtained under existing fraud, waste, and abuse authorities cited in DoDD 5106.01 (Reference (1)).

d. Inventory Distribution Network

(1) Retail SKU Management

(a) Establish retail SKU either systemically or manually.

1. Establish a retail SKU systemically using activity based criteria IAW the current DLA SKU build process and procedure.

2. Manually establish retail SKU by processing a DLA Form 1913, Adjusted Stock Level, IAW existing procedures.

(b) Establish the retail SKU at the DLA DC collocated with the retail location with the requirement, except where specific constraints, restrictions, exceptions, or policies exist. These specifics, which may prevent the building of a SKU at the retail location will be maintained by the DLA HQ J342 Stock Positioning Team.

(c) Validate that retail SKU is a destination SKU (buy back) for new procurement except when the source for the retail SKU is a Prime Vendor location, and in cases of special circumstances, such as capacity and capability restrictions.

(d) Follow existing procedures when a retail SKU is no longer required.

(2) Movement of Excess Materiel within the DLA Network

(a) Prevent a new procurement action by either systemically or manually moving materiel that is in excess at one DLA DC to another DLA DC that has a materiel shortage.

(b) Coordinate any manual materiel movements with the DLA HQ J342 Stock Positioning Team who will execute the movement.

(3) Levels Management

(a) Systemic Retail Stock Levels

1. Systemically calculate and maintain initial stock levels in EBS.

2. Systemically calculate levels for retail items with forecastable demand using a multi-echelon tool based upon the demand forecast, performance targets, and funding constraints.

3. Systemically calculate levels for retail items with non-forecastable demand in Supply Chain Planning Optimization, producing a minimum and a maximum level.

4. Review and validate significant systemic changes to safety stock levels.

(b) Request a Special Level

1. Use DLA Form 1913 IAW current procedures to request a special level be set manually.
2. Upon approval of DLA Form 1913, update all new level information in JDA to activate the special level adjustment.
3. Use an override to manually set and maintain the special level for a specific time interval.
4. Adhere to signature authority for a funding expenditure due to a level increase.

(c) Maintain Stock Levels

1. Maintain retail stock levels for accuracy.
 - a. Determine and adjust storage requirements for stock positioning in DSS.
 - b. Review and take actions to adjust systemically recommended levels IAW existing procedures to maintain appropriate stock levels.
 - c. Add new items with appropriate levels for stocking at individual locations as necessary, and IAW existing procedures, to ensure retail support.
 - d. Set minimum and maximum stock levels for non-DLA managed items IAW existing procedures (Navy).
 - e. Monitor re-warehousing, replenishment actions, and other materiel movements for accuracy to maintain correct stock levels.
2. Determine retention levels and obtain authority for holding that stock for retail items by location to ensure exclusion from disposal IAW existing retention policy.

(4) Stock Protection

- (a) Protect a level of retail stock at a location for exclusive use by the local maintenance customer.
- (b) Use specific indicators to designate the extent of the protection.
- (c) Release protected materiel to non-retail customers only when requests meet the established criteria for breaching protected stock.
- (d) Identify and review protected materiel not used within a configurable number of

days for potential unprotection of materiel.

3. TECHNICAL and QUALITY ASSURANCE MANAGEMENT

a. Materiel Master Maintenance

(1) Create and maintain MMR data, and obtain an accurate Technical Data Package to ensure alignment across DLA and service systems.

(2) Create, extend, and update MMR data for DLA and non-DLA managed items and provide both manual and automated querying capability.

(3) Allow for unit of use functionality in less than the FLIS Unit of Issue.

(4) Generate and manage change notices for additions, changes, and deletions to the MMR.

(5) Research and resolve issues involving the MMR.

(6) Cancel LSN or Non-DLA Managed National Stock Number (NSNs) materiel records when no longer required.

(7) Enter and maintain Type I and Type II Shelf-Life Codes in EBS and Type II extendable information in the Materiel Supply System (MMS).

(8) Manage MMRs for DLA Managed hazardous materiel and monitor/coordinate MMRs for LSNs and Non DLA-Managed materiel.

(9) Request Item Criticality Determinations (ICDs) for items IAW service agreement.

b. Materiel Sourcing Information

(1) Provide technical or sourcing data and substitutability data for first-time buys for DLA managed items.

(2) Provide technical requirements to contracting personnel for development of the buy package for LSNs and non-DLA managed NSNs. (Navy)

(3) Provide assistance to PLFA personnel, when appropriate, to review, extend, and process referrals for DLA-managed items.

(4) Review Strategy Workflows and release blocked PRs after making appropriate updates to the MMR.

(5) Execute the Retail Engineering Support process IAW signed Service Memorandums of Agreement (MOA).

(6) Implement appropriate control and oversight of Critical Safety Items (CSI) items,

and Special Procedure Category items (e.g. Inter-Continental Ballistic Missile, Aircraft Launch Recovery Equipment, Chemical/Biological, etc.) IAW DLA enterprise policies and procedures.

c. Supplier Evaluation

(1) Investigate and manage to resolution SDRs and Product Quality Deficiency Reports (PQDR) to include non-DLA managed items and LSNs.

(2) Facilitate in providing disposition instructions for materiel sold to the ISA customer and found to have a deficiency IAW with established procedures. Take necessary action to ensure proper replacement materiel is provided.

(3) Develop sourcing programs that promote quality and hardware reliability and prevent counterfeit materiel or unauthorized product substitution.

(a) Monitor and maintain established programs for mitigating the risk of counterfeit materiel entering DoD supply chains.

(b) Notify the Government-Industry Data Exchange Program and the customer if materiel is found to be counterfeit or suspect counterfeit.

d. Technical Advice and Guidance

(1) Collaborate with the retail customer on Bill of Materials (BOM) , GDP, MMR, and Change Notice Input to ensure accurate item data.

(2) Provide advice and assistance, as necessary, on matters involving the prevention, detection, and reporting of counterfeit materiel.

4. STORAGE and DISTRIBUTION MANAGEMENT

a. Participate in collaboration among DLA ISA, DCO, and DLA Distribution personnel to ensure optimal support to ISA customers.

b. Update and maintain DSS using the appropriate documents IAW existing supplemental DLA Distribution SOPs¹.

c. Archive and maintain hard copy documents for storage and distribution transactions IAW established policies and procedures.

d. Comply with audibility and accountability requirements by ensuring positive hand off, either electronic or manual, for materiel movement IAW supplemental DLA Distribution policy and procedures.

¹ Current DLA Distribution SOPs are available through the DLA Issuances Program.

e. Assign the proper hazardous materiel coding and data in DSS, IAW (Reference (f)), and handle hazardous materiel IAW (Reference (g)).

f. Receipt of Materiel

(1) Complete off-loading and tallying of materiel IAW supplemental DLA Distribution SOPs.

(2) Perform receiving and stowing functions for all materiel into the collocated DC, forwarding quantities to the ISA or stowing in the DC as required IAW supplemental DLA Distribution SOPs.

(a) Perform Kind, Count, and Condition (KCC) as identified in DLA Distribution service agreements for stock materiel IAW supplemental DLA Distribution SOPs.

(b) Identify and process base supply shipments in DSS IAW supplemental DLA Distribution SOPs.

(c) Perform receipts and stows for classified materiel IAW supplemental DLA Distribution SOPs.

(d) Process Direct Turn Over receipt and locally manifest Direct Turn Over materiel and deliver to the designated drop location IAW existing policy and procedures.

(3) Communicate improperly marked or labeled materiel (frustrated materiel) through SDR to the appropriate reporting activity and hold until disposition instructions are received or until the agreed upon time limit is reached, IAW supplemental DLA Distribution SOPs.

(4) Process shipping or packaging discrepancies identified during the receipt process as SDRs IAW supplemental DLA Distribution SOPs.

(5) Process new procurement receipts IAW supplemental DLA Distribution SOPs.

g. Picking and Issuing Materiel

(1) Process materiel release orders when pick-tickets are output in the collocated distribution center IAW supplemental DLA Distribution SOPs.

(2) Perform picks for classified materiel IAW supplemental DLA Distribution SOPs.

(3) Manually process materiel release orders for ISA requirements as post-post actions when applicable systems are non-operational, or for urgent emergency walk-throughs.

(4) Perform Unit of Issue changes for less than unit of issue identification Requests in DSS IAW supplemental DLA Distribution SOPs (Navy).

h. Packing Materiel

(1) Pack materiel, either physically or systemically, IAW (Reference (m)).

(a) Verify and validate materiel to include KCC requirements prior to packing.

(b) Package Classified Materiel IAW supplemental DLA Distribution SOPs.

(2) Package hazardous materiel to ensure safe, efficient, legal storage, handling, and transportation IAW supplemental DLA Distribution SOPs.

(3) Schedule and perform Preservation, Packaging, Packing, and Marking work orders as required IAW existing supplemental DLA Distribution policy and procedures.

i. Delivery and Transportation

(1) Complete off-loading of materiel safely and accurately IAW supplemental DLA Distribution SOPs.

(2) Account for, document, and/or move by organic transportation all local customer deliveries IAW supplemental DLA Distribution SOPs.

(a) Prepare, perform, and close out delivery and transportation manifests for each customer delivery order.

(b) Deliver materiel for retail customer orders to the designated drop location.

(c) Pick up materiel as required from the retail customer during deliveries IAW existing processes and procedures.

(3) Account for, document, and execute off-site local deliveries to other customer locations supported by the Fleet Readiness Center IAW supplemental DLA Distribution policy and procedures.

(a) Identify, document, and execute an appropriate shipment method to deliver materiel to support off-base Fleet Readiness Center customers IAW supplemental DLA Distribution policy and procedures.

(b) Receive and ship materiel requiring cross-docking IAW supplemental DLA Distribution SOPs.

(4) Investigate Transportation Discrepancy Reports submitted for materiel damaged during transportation IAW supplemental DLA Distribution SOPs.

(5) Research and process open lines to resolution IAW supplemental DLA Distribution SOPs.

(6) Research, monitor, and process to resolution undelivered shipments IAW supplemental DLA Distribution SOPs.

(7) Respond to Requests for Information related to discrepancies and open transactions within expected timeframes IAW existing supplemental DLA Distribution policy and procedures.

j. Return and Asset Handling

(1) Accept and process any returned retail materiel that is no longer needed by the retail industrial customer, with appropriate receipt documentation, IAW the modified DLA Materiel Returns Program, which specifically addresses retail customer returns.

(2) Process the receipt of the turn-in resulting in issue to another local retail customer or stow.

k. Warehousing

(1) Identify and stow stocked materiel into the appropriate storage location.

(2) Provide short-term temporary storage, not to exceed specified time limits, for retail materiel at the local DC IAW supplemental DLA Distribution SOPs.

(3) Execute timely and accurate re-warehousing actions to the ISAs IAW DLA Distribution and DLA Inventory Distribution Network processes and procedures unless other mutually agreed upon targets of delivery performance are established, or in cases of DLA HQ J342 directed overriding priority.

(a) Re-warehouse materiel to the collocated ISA and place under protection upon receipt of an RA (Navy).

(b) Re-warehouse materiel to the collocated ISA when DSS receives a notice for the replenishment of an item.

l. Disposition

(1) Perform materiel dispositions IAW supplemental DLA policies and procedures.

(2) Perform disposition of frustrated materiel after receiving disposal instructions or after the required verification period IAW supplemental DLA Distribution SOPs.

(3) Document Evidentiary Manner IAW supplemental DLA Distribution SOPs.

m. Physical Inventories

- (1) Plan, prioritize, and complete inventories IAW with established policy and procedures.
- (2) Execute inventory adjustments in DSS in a timely manner through systemic interface between EBS and other service inventory systems as required.
 - (a) Conduct causative research and resolve an inventory discrepancy IAW supplemental DLA Distribution SOPs to ensure that the accountable and financial records reflect actual location quantities.
 - (b) Complete book-to-book adjustments in a timely and accurate manner IAW supplemental DLA Distribution SOPs.
 - (c) Review, sign, and approve Inventory Adjustment Vouchers and Consolidated Adjustment Vouchers IAW supplemental DLA Distribution SOPs.
 - (d) Establish corrective actions to prevent recurring discrepancies in inventory counts.
- (3) Schedule and conduct location surveys for 100% of all storage locations IAW supplemental DLA Distribution SOPs.
- (4) Perform and account for Care of Supplies in Storage, Shelf Life, and Special Inspections in DSS IAW with supplemental DLA Distribution SOPs.
 - (a) Create an SDR or Storage Quality Control Report (SQCR) when placing an item in condition code “J, K, Q or L.”
 - (b) Take appropriate action in a timely manner IAW supplemental DLA Distribution SOPs once disposition instruction is provided per (Reference (h)).
- (5) Research and process potential denials in an accurate and timely manner IAW supplemental DLA Distribution SOPs.
- (6) Perform stock screening requests by the impacted distribution centers to segregate conforming and non-conforming materiel.
- (7) Execute the Planography/Location Identification Program IAW supplemental DLA Distribution SOPs.

n. Materiel Discrepancies

- (1) Research and process all SDRs and PQDRs, to include Incoming SDRs and Stock Readiness SDRs, in an accurate and timely manner IAW supplemental DLA Distribution SOPs.
- (2) Follow either the SDR or PQDR process IAW supplemental DLA Distribution SOPs, as the situation dictates.

(3) Prepare an SDR or SQCR to document discrepancies or shortages IAW supplemental DLA Distribution SOPs.

(4) Evaluate SDR discrepancies to determine cause and prevent reoccurrence.

(5) Report damages due to transportation using a Transportation Discrepancy Report IAW supplemental DLA Distribution SOPs.

5. FINANCIAL MANAGEMENT

a. Include the retail obligation authority requirements in support of DLA retail materiel management, which is submitted and coordinated by the SCOs in the SCM PBR submission process.

b. Properly source and track the obligation authority for retail local procurements.

c. Ensure that costs for work performed by DLA Distribution in support of a DCO or SCO are reimbursed IAW (Reference (i)).

d. Update items with missing or invalid prices to ensure accurate materiel pricing in EBS and FLIS.

e. Facilitate to resolution billing and payment issues among DLA, Service, and Commercial Sources of Supply systems to ensure financial accuracy.

f. Provide financial summary reports as required by the ISAs.

6. CONTRACT MANAGEMENT

a. Set and maintain parameters IAW Federal and DLA regulations, directives, procedures, and guidance for processing emergency and non-emergency (Navy) procurements to support DLA retail materiel management.

(1) Execute organic manufacturing requests as authorized when the criteria is IAW (Reference (n)).

(2) Prepare and include all required documentation with the delivery of materiel supplied through organic manufacturer.

b. Use prepositioned contracts and agreements first to meet a customer's need by date before utilizing procedures for Open Market Buys or Standalone Transactions.

c. Set and maintain parameters IAW Federal and DLA regulations, directives, procedures, and guidance for the use of the DLA Government Purchase Card within DLA retail materiel management. Follow and execute recurring credit card reconciliation procedures to ensure accurate and timely vendor payments.

d. Set and maintain parameters IAW Federal and DLA regulations, directives, procedures, and guidance for the use of Military Interdepartmental Purchase Requests (MIPRs) within DLA retail materiel management. Follow and execute recurring MIPR reconciliation procedures to ensure accurate and timely payments.

e. Follow strict policy guidelines when procuring CSI.

f. Pursue alternate sourcing avenues to fulfill maintenance production requirements when normal methods fail to provide the required availability.

g. Utilize emergency retail and retail stock procurement actions when normal methods of procurement fail IAW established DLA policy.

(1) Use ERBs, RSBs and ROM requests to fulfill procurement requirements for the industrial retail customer.

(2) Adhere to emergency procurement policies, processes, and procedures when actions are executed for the DLA retail sites IAW (Reference (o)) .

(a) Execute ERBs and ROM requests in support of the local retail customer for DD and CD items that meet specific urgent and compelling criteria for existing backorders IAW (Reference (o)).

(b) Execute ERBs and ROM requests in support of the local retail customer for other service/agency managed items in addition to the above (Navy).

(3) Adhere to RSB and ROM request policies, processes, and procedures when procurement actions are executed for the Industrial customer.

(4) Execute RSBs and ROM requests in support of the local retail customer for items managed by a service or agency other than DLA and for LSN items (Navy).

(5) Upgrade priority of retail procurement actions based on interactions with the acquiring service and IAW established urgency criteria.

(6) Prioritize retail procurement actions using the criticality and priority assigned to the item being purchased.

(7) Include all required forms and documentation in completed procurement packages.

(8) Capture all local suppliers in the Vendor Master.

h. Perform contract administration to ensure the supplier performs to the terms and conditions of the contract.

(1) Research and process post award transactions to resolution.

(2) Take immediate action on a delinquency when the supplier misses the required delivery date on a CD item.

i. Perform contract closeout actions IAW with Audit Readiness processes and procedures.

j. Follow approved forms and procedures in negotiations and communications with suppliers.

k. Archive and maintain documentation for procurement transactions in EBS IAW with established policies and procedures.

l. Modify long-term contracts that specify delivery of materiel as CD to provide a line of retail materiel for central storage at the local retail site to meet retail industrial customer requirements.

m. Research and expeditiously process materiel discrepancies for retail materiel placed in litigation IAW (Reference (h)).

n. Use a Supplier Relationship Management tool that provides real time master data synchronization of supplier and materiel information as well as real time processing during award builds.

o. Provide Contracting Officer's Representative or Technical/Quality Point of Contact for Out Sourced Supply Chain Processes such as Hazardous Materiel, Industrial Hardware, etc.

7. Data/Metrics

a. Data

(1) Produce and provide specific data requests as required.

(2) Conduct analysis on recurring data reports to identify any positive or negative effects to DLA retail materiel management support.

(a) In coordination with the PLFAs and ISAs, research, identify, and implement corrective actions necessary to obtain positive results.

(b) Use data analysis for continuous process improvement to retail support.

b. Metrics

(1) Performance measures must be agreed upon, set by interested parties, and outlined in a Performance-Based Agreement between DLA and Service Component.

(2) Performance measures must be tracked and reported on a monthly basis to allow visibility of the success or failure to meet retail support requirements.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

BOM	Bill of Materiel
CD	Customer Direct
COSIS	Care of Supplies in Storage
CRM	Customer Relationship Management
CSI	Critical Safety Item
DC	Distribution Center
DCO	Demand Chain Owner
DD	DLA Direct
DDE	Demand Data Exchange
DFU	Demand Forecasting Unit
DLAI	DLA Instruction
DLAM	DLA Manual
DSS	Distribution Standard System
DTM	Directive-Type Memorandum
DTO	Direct Turnover
EBS	Enterprise Business System
ERB	Emergency Retail Buy
ESA	Engineering Support Activity
FLIS	Federal Logistics Information Services
GDP	Gross Demand Plan
IAW	In Accordance With
IMM	Integrated Materiel Manager
ISA	Industrial Support Activity
KCC	Kind, Count, and Condition

LSN	Local Stock Number
MIPR	Military Interdepartmental Purchase Request
MMR	Materiel Master Record
MOV	Materiel Obligation Validation
MSS	Materiel Supply System
NIIN	National Item Identification Number
NSN	National Stock Number
PBR	Program Budget Review
PQDR	Product Quality Deficiency Report
PLFA	Primary Level Filed Activity
POU	Point of Use
PR	Purchase Request
RA	Requisiyion Alert
RFI	Ready for Issue
ROM	Retail Organic Manufacturing
RSB	Retail Stock Buy
SCM	Supply Chain Management
SCO	Supply Chain Owner
SDR	Supply Discrepancy Report
SKU	Stock Keeping Unit
SO	Sales Order
SOP	Standard Operating Procedure
SS&D	Supply, Storagem and Distribution
SQCR	Storage Quality Control Report
STO	Stock Transport Order

PART II. DEFINITIONS

Acquisition. Obtaining logistics support, supplies, or services under an contracting agreement or under a cross-servicing agreement. This includes purchasing (whether for payment in currency, replacement-in-kind, or by exchange for equal value), renting, leasing, or any method of temporarily obtaining logistics support, supplies, or services

Bill of Materiels (BOM). List of raw materiels, sub-assemblies, intermediate assemblies, sub-components, components, parts, and quantities of each needed to manufacture and end product.

Care of Supplies in Storage (COSIS). A program composed of a set of processes and procedures whose purpose is to ensure that materiel in storage is maintained in ready-for-issue condition or to prevent uneconomic deterioration of materiel. With proper COSIS, supplies and equipment in storage will be preserved and maintained in a issuable condition through inspection and actions taken to correct any forms of deterioration and to restore packaging RFI condition. A COSIS includes the in-storage visual inspection, minor repair, preservation, and packing of materiel, and all intra-depot materiel movement to perform those tasks. Note: COSIS does not include the cost to repair the asset, unless minor repair is accomplished within the one-hour routine COSIS action.

Collaboration. A process used by customers to provide actual projected requirements to DLA instead of relying solely on historical usage (sites working with the supply chain). Requires a Joint Collaboration Agreement (JCA).

Consumable Item. An item of supply (except explosive ordnance and major end items of equipment) that is normally expended or used up beyond recovery in the use for which it is designed or intended.

Counterfeit Materiel. Materiel whose identity or characteristics have been deliberately misrepresented, falsified, or altered without legal right to do so.

Critical Safety Item (CSI). Any item containing a critical characteristic whose failure, malfunction, or absence may cause a catastrophic or critical failure resulting in loss or serious damage to the weapon system or end item, unacceptable risk of personal injury, or loss of life.

Customer Direct (CD). A channel of materiel support where materiel is purchased upon receipt of a customer's funded SO, and is sent to the customer directly from the supplier. The supplier holds the inventory. Customer Direct at retail sites must still process thru receiving at the Industrial Activity Warehouse (Navy).

Customer Relationship Management (CRM). A customer-focused strategy that uses people, processes and tools to set and meet mutual expectations that optimize value for both the

customer and DLA. Provides a new alternative to facilitate communications, transactions, and collaboration to customers by identifying critical customer requirements in terms of Warfighter readiness.

Demand. An indication of a requirement, a requisition, or similar request for an item of supply or individual item. Demands are categorized as either “recurring” or “non-recurring.”

Demand Chain Owner (DCO). The activity responsible for the integration between demand and supply processes, a structure between the integrated processes and customer segments, and working relationships between marketing and supply chain management. Manages relationships between suppliers and customers to deliver the best value to the customer at the least cost to the demand chain as a whole. Demand chain management is similar to supply chain management but with special regard to the customers. Use of the term in this DLAI refers to the DLA activities that are responsible for the retail management and operations performed at the Industrial Support Activities (ISAs) in support of the retail industrial customer.

Demand Data Exchange (DDE). A system-to-system process for DLA customers to transmit future materiel requirements to affect the forecast.

Demand Forecasting Unit (DFU). Level at which the forecast is created. Contains four data elements: Demand Unit (Item), Location, Demand Group, Model.

Demand Planning. Activities normally occur in support of a multi-step operational supply chain requirements, it is the process of gathering data, determining how the Demand Plan will be created, generating the Demand Plan, and providing the Demand Plan to the appropriate organization.

Direct Turnover (DTO). Customer Direct materiel that arrives at the receiving worksite, locally manifested, and delivered to the artisan. This materiel is never stored in the warehouse.

Directive-Type Memorandum (DTM). Issuance serves the same purpose as a DLAI or DLAM but is issued for time-sensitive actions that affect current or future issuances.

Distribution. The operational process of synchronizing all elements of the logistic system to deliver the “right things” to the “right place” at the “right time.”

Distribution Center (DC). Facility in the DLA Distribution Network that performs receiving, and storage and distribution functions for goods in support of customer orders. Also referred to as a warehouse. May also perform other services to customers on a fee-for-service basis.

Distribution Standard System (DSS). DLA’s primary warehouse and distribution management solution that manages all functional business processes of DLA’s warehouse operations. Primary

integration points with EBS are stock positioning through Supply Chain Planning and Optimization supply planning functionality, and processing of a materiel release order to fill customer requisitions.

DLA Direct (DD). A channel of materiel support where DLA owned materiel held in a warehouse is sent to the customer from a warehouse upon receipt of a customer's funded SO.

DLA Form 1912, DLA Local Purchase, Technical Support Request. Form to document and also provide traceability of engineering decisions for items procured by DLA using the local purchase process.

DLA Form 1913, Adjusted Stock Level. Form used to request a special stock level be manually set for retail item, and retained for a specific amount of time by setting an override with an expiration date.

DLA Instruction (DLAI). Establishes policy, impacts DLA employees (civilian, military, and contractors), assigns responsibilities, and implements overarching procedures within a functional area IAW assigned mission and functions.

DLA Issuance. A document used by DLA to formally establish policy, assign responsibilities, and implement procedures. The set of documents that qualifies as a DLA Issuance are DLAI, DLARs, DTMs, and DLAMs.

DLA Managed Item. Item in which DLA is responsible for the management and operation of effective and economical supply support. DLA is considered the SoS.

DLA Manual (DLAM). A DLA Issuance that provides general procedures for implementing policy established in DLAI. DLAMs shall include the specific, procedural information formerly published in various DLA publications.

Dual Channel (ZDUL). A channel of materiel support in which materiel is predominately supported as CD, delivered directly from the supplier to the customer. However, in some cases, such as for retail items, materiel is supported as DD, held in a warehouse, and sent to the customer from the warehouse. These items are coded as Acquisition Advice Code H.

Emergency Retail Buy (ERB). Emergency local procurement actions made when materiel is not available for Defense Logistics Agency (DLA) managed buys and a work stoppage exists or alteration to an operation's critical path is imminent IAW unusual and compelling guidance outlined in FAR Subpart 6.302-2.

Enterprise Business System (EBS). EBS is DLA's primary information technology solution designed to manage the system processes of Order Fulfillment, Planning, Technical and Quality Assurance, Acquisition and Financial. Identifies areas for key process improvement, improves analysis, and offers greater agility in monitoring and tracking operational and fiscal performance. The overall modernization objectives for EBS include improving customer support and providing better access to DLA's portfolio of business systems and processes.

Federal Logistics Information System (FLIS). A system designed to provide a centralized databank in support of the Department of Defense, Federal Civil Agencies, and foreign countries participating in the integrated logistics support program. Primary computer system through which all users access, store and retrieve necessary information related to an item of supply.

Fleet Readiness Center (FRC). A United States Navy Industrial Activity responsible for repair and maintenance of aircraft at the following three sites Navy FRC Southwest at San Diego, CA; FRC Southeast at Cherry Point, NC; and FRC South at Jacksonville, FL.

Forecastable Item. An item that meets the criteria in the Forecastability Rule, which is based upon months of demand for a minimum quantity over a specified length of time.

Fourth Party Logistics (4PL). Arrangement in which a firm contracts out (outsources) its logistical operations to two or more specialist firms (the third party logistics) and hires another specialist firm (the fourth party) to coordinate the activities of the third parties.

General Order (GO). A directive from a headquarters establishing missions and functions for a command or announcing official acts.

Gross Demand Plan (GDP). Represents the total requirements from an Fleet Readiness Center. It is generated by exploding master scheduled requirements through a bill of materiel. It includes past due, current, and scheduled work.

HQ DLA Enterprise Process Owner. The DLA management point of contact that has approval authority for system changes, procedures, processes, and business rules for a specific EBS process, such as Planning, Order Fulfillment, Technical and Quality Assurance, Inventory Distribution Network (Retail), Procurement, Distribution or Finance.

Industrial Prime Vendor (IPV). A contracting process that provides commercial products to regionally grouped military and federal customers from commercial distributors using electronic commerce.

Integrated Materiel Manager (IMM). Any DoD activity or Agency that has been assigned materiel management responsibilities for the DoD and participating Federal Agencies. The term includes responsibilities performed by either wholesale materiel managers or retail materiel

managers: managing, cataloging, demand and supply planning, requirements determination and definition, procurement, distribution, overhaul and repair of reparable materiel, and disposal of materiel. Also referred to as the Source of Supply.

Inventory Adjustment Voucher. Inventory adjustments meeting certain requirements require causative research to determine why there is a discrepancy in the materiel balance. An IAV must be completed within a defined amount of time after the adjustment and approval authority is based upon the dollar value of the discrepancy adjustment.

Kind, Count Condition (KCC).

a. Kind: There are two forms of determining the ‘Kind’ of materiel; (1) An inspection of the bare item verifying the part-number against the NSN, or (2) Verify that the documentation corresponds with the identification label IAW MIL-STD-129 marking requirements.

b. Count: A count of the total number of items.

c. Condition: An inspection verification of the general physical appearance of all packages or verification of the characteristics of the bare item.

Inventory. Materiel titled to the U.S. Government, held for sale or issue, held for repair, or held pending transfer to disposal. Also referred to as “materiel.”

Inventory Policy Optimization. A JDA (Manugistics) module that assesses the effect of inventory investment decisions on customer wait time, unfilled orders, and fill rates in order to optimize safety stock across multiple echelons of operating inventory to ensure right level of service to customers.

Industrial Support Activity (ISA). A DLA activity that supports the maintenance lines at a service industrial site. A DLA DCO manages it.

Local Stock Numbered Item (LSN). An item without a NSN, procured locally for the ISA, and managed by a uniquely assigned number. Also used for Unit of Use materiel.

JDA. The parent company for Manugistics modules Supply Chain Planning and Optimization and Inventory Policy Optimization software packages. It stands for the company’s founder James D. Armstrong.

Location Identification Program. Tool used to establish the layout of the distribution center to include the process for identifying an exact location. Also called planography.

Long-term Contract (LTC). Reduces the contractor's administrative burden and results in stable production runs, thereby incentivizing contractors to do business with the Department of Defense (DoD). Also referred to as an Outline Agreement.

Materiel Management. That phase of military logistics that includes managing, cataloging, demand and supply planning, requirements determinations, procurement, distribution, overhaul, and disposal of materiel.

Materiel Master Record (MMR). Holds vital descriptive information about a particular item; allows other processes to occur successfully. Central source for all basic information required to manage and maintain a particular item.

Materiel Obligation Validation (MOV). A transaction, either automated or manual, sent to a customer to attest or confirm the accuracy of a requirement held in backorder status for a specified amount of time due to stock unavailability.

Materiel Supply System (MSS). A web-based system that contains shelf life extension criteria for Type II (extendible) shelf life LSNs.

Memorandum of Agreement (MOA). A document written between parties to cooperate on an agreed upon project or meet an agreed objective. The purpose of an MOA is to have a written understanding of the agreement between parties. Can also be considered a Memorandum of Understanding (MOU).

Military Interdepartmental Purchase Request (MIPR). This form (DD FORM 448) is used by a DoD activity (the requesting activity) to place an order for supplies or non-personal services with a “servicing agency” that could be either another DoD activity (an Internal DoD Action) or a non-DoD federal activity (a Direct or Assisted Acquisition).

National Item Identification Number (NIIN). Unique nine-character code assigned to each item of supply purchased, stocked, or distributed within the Federal Government.

Non-DLA Managed. An item for which a service or agency other than DLA is responsible for the management and operation of effective and economical supply support. A military service or agency is the SoS. Also referred to as other service/agency item.

Non-Forecastable Item. An item for which there is no defined, predictable pattern of demand, thus does not meet the criteria in the Forecastability Rule.

National Stock Number (NSN). A 13-digit stock number used to identify items of supply. It consists of a 4-digit FSC and a 9-digit NIIN.

Organic Manufacturing. Organic manufacturing is an in-house capability to produce quality products for the customer. It provides a safety net for responding quickly to contractor defaults on programs critical to defense readiness.

Other service/agency managed item. An item for which a service or agency other than DLA is responsible for the management and operation of effective and economical supply support. A military service or agency is the SoS. Also referred to as non-DLA managed item.

Performance-Based Logistics. An outcome-based product support strategy for the development and implementation of an integrated, affordable, product support package designed to optimize system readiness and meet the Warfighter's requirements in terms of performance outcomes for a weapon system through long-term product support arrangements with clear lines of authority and responsibility. Also commonly referred to as Performance Based Life Cycle Product Support.

*9Policy. The set of basic principles or rules and associated guidelines, formulated and enforced by the DLAHQ or PLFA Director / Commander, to direct and limit its actions in pursuit of long-term DLA activity goals.

Point of Use (POU). Location on the production shop floor where materiel is placed for expedited issue (Air Force). DLA is the owner and manager of all POU areas of operation

Procedures. Standard, detailed steps that prescribe how to perform specific tasks in support of one or more policy statements that are written in an approved DLAI, DLAR, or DTM.

Product Quality Deficiency Report (PQDR). Submitted when materiel is issued and found to be defective. Initiate action to repair, replace, or provide credit for defective materiel.

Protected Stock. Protected inventory awaiting a funded requisition.

Purchase Order (PO). A legal document identifying the supplies or services being purchased from a commercial or governmental agency. Document may take the form of a SF1449, DD1155, , etc.

Purchase Requisition (PR). Authenticated document prepared by a supply office, stating the requirements in quantities and delivery dates for materiel or services and authorizing the purchase of stated materiel and services.

Request for Engineering Support. Request sent to the Service Engineering Support Activities for assistance, including, but not limited to: developing, validating and approving technical data packages; approving sources including organic manufacture; criticality determination; developing and reviewing engineering criteria and providing technical guidance and decisions required in the management and procurement of an item.

Requisition Alert (RA). A notification from Navy industrial sites to DLA of their requirements in advance of the funded requisition, thereby allowing DLA to procure and position materiel appropriately to support prompt order fulfillment. An unfunded requisition providing advanced forecasting for Procurement and/or Stock Transfers, triggers fulfillment and prepositioning of stock at the SS&D site.

Retail. In this instruction, it refers to a level of DLA inventory held at the consumer level for the purpose of directly providing materiel to ultimate industrial maintenance users

Retail Industrial Customer. A specific customer at a service industrial site, identified in EBS as a customer for which DLA is responsible for supporting, in part or in total, the retail requirements for Supply, Storage, and Distribution in support of the local maintenance customer.

Retail Organic Manufacturing Request (ROM). In support of retail, a request to DOD organic manufacturing sources for items that are not obtainable from the private sector.

Retail Stock Level. The level of stock for a retail item that is set, either systemically or manually, to meet the retail industrial customer's requirement.

Retail Stock Buy (RSB). Procurement action seeking supportability of any quantity (offset quantity) in anticipation of the receipt of customer orders that will precede the receipt of a materiel replenishment.

Safety Stock (SS). Target level of inventory set to compensate for unexpected increases in demand or delays in the acquisition process.

Sales Order. A requisition from a customer. A retail sales order is a requisition from a customer that has been identified in EBS as a retail customer.

SAP. The German Company "Systems, Applications and Products in Data Processing", SAP is a COTS ERP (Commercial-Off-the-Shelf Enterprise Resource Planning) System. SAP is used to manage the supply chain and handles all integration across the EBS application programs.

Service Managed Procurement (SMP). The procurement by DLA of an item that is other service or agency managed with a DLA funded requisition for use by a retail industrial customer for which DLA is responsible for all retail support. Once purchased, the materiel is owned by DLA and protected for use by a specific industrial customer upon receipt of a RA, and sold to the industrial customer upon receipt of a funded requisition. In this situation, DLA is acting as a retail customer of the other service or agency.

Standard Operating Procedure (SOP). A document used by DLA to capture standard, detailed steps that prescribe how to perform specific tasks within an office, section, or division within DLA.

Statement of Work. A formal document that captures and defines the work activities, deliverables, and timeline a vendor must execute in performance of specified work for a client.

Stock Keeping Unit (SKU). Level at which supply plans are created; designates an item at a specific location (item/location combination).

Stock Transport Order (STO). A requisition to physically internally move (redistribute) materiel from one location to another within the materiel owner's distribution network.

Storage Quality Control Report (SQCR). A manual form (DD Form 1225) or its electronic equivalent used to document and request approval of reimbursable work associated with special inspections and reimbursable COSIS actions. When prepared in the DSS under DLMS, the SQCR is transmitted to DAAS for forwarding to the applicable Service/Agency system. At this time, only DLA has fully implemented the DLMS interface. Pending DLMS implementation, the SQCR will be transmitted via email or fax.

Subject Matter Expert (SME). The point of contact for expertise in a specific area or process.

Supplier Relationship Management (SRM). Also referred to as EProcurement. Single contract writing tool that meets the unique automation and regulatory needs of DLA's complex high-volume acquisition and contracting operations. Provides real time master data synchronization of supplier and materiel information. Provides for real time processing during award build.

Supply Chain Owner (SCO). The linked activities associated with providing materiel from a raw materiel stage to an end user as a finished product, delivering the best value according to the demand of the customers. Use of the term in this DLAI refers to the DLA activities that are responsible for the management and operation of effective and economical supply support of specific items.

Supply Chain Planning Optimization. An advanced JDA planning tool composed of suite of supply chain management software applications managing the interactions in the flow of products from raw materiel through the manufacturing process and finally to the delivery of finished goods to the customer.

Supply Discrepancy Report (SDR). An electronic transmission or manual form used to report a supply discrepancy.

Supply Planning. Activities normally occur in support of the stocked items and are focused on the development and implementation of inventory plans, which most effectively mirror customer demand patterns by time and by location.

Supply, Storage and Distribution (SS&D). The concept integrates previously separate wholesale and consumer-level ("retail") operations to streamline materiel flow and eliminate redundant activities and inventories at specific service industrial locations.

Sustainment. The provision of logistics and personnel services required to maintain and prolong operations until successful mission accomplishment.

Unit of Issue (UOI). Refers to the quantity of an item; such as each, dozen, gallon, pair, pound, ream, set, and yard. Usually referred to as unit of issue to distinguish from "unit price."

Unit of Use. Materiel is packaged according to the amount to be used/issued at any given time.