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IN REPLY
REFER TO

DLMSO

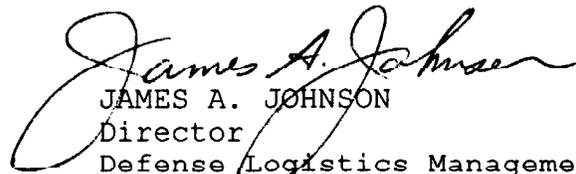
DEC 17 1999

MEMORANDUM FOR: DISTRIBUTION

SUBJECT: Request for Prototype Participation for Approved
DLMS Change (ADC) 21, Storage Activity On-hand Asset
Balance Data Sharing (Primary: Supply; Secondary:
Finance/Procurement/Maintenance)

The attached change is approved based on staffing of Proposed DLMS Change 19. ADC 21 defines an on-hand storage activity asset balance that is to be shared by multiple organizations. The next step as we move towards DoD data sharing of asset balance information, is a technical assessment to evaluate and select the best technical approach to implement this functional requirement. As discussed at the September 28-30, 1999, Supply Process Review Committee meeting, and the Dec 1-2, 1999, Joint Physical Inventory Working Group (JPIWG) meeting, request Component volunteers for participation in prototyping this concept between Component ICP system(s) and the DLA Distribution Standard System (DSS). Request identification of ICP system prototype volunteers within 60 days from the date of this letter. Upon receipt of candidates, DLMSO will assist and coordinate, as needed, between the volunteer Component(s) and DLA DSS as technical solution(s) are evaluated and tested.

Addressees may direct questions to the DLMSO points of contact, Mr. Frank St. Mark, (703) 767-0675, DSN 427-0675; email: francis_st.mark@hq.dla.mil, and Ms. Mary Jane Johnson, (703) 767-0677, DSN 427-0677, email: maryjane_johnson@hq.dla.mil. Others please contact your Service or Agency designated representative.


JAMES A. JOHNSON
Director
Defense Logistics Management
Standards Office

Attachment

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Approved DLMS Change (ADC) 21 Storage Activity On-Hand Asset Balance Data Sharing

- 1. SPONSOR:** Assistant Deputy Under Secretary of Defense (Logistics) (Materiel & Distribution Management)

- 2. ORIGINATOR:** DLMSO, Ms. Mary Jane Johnson , 703-767-0677, DSN 427-0677, email: maryjane_johnson@hq.dla.mil, and Mr. Frank St. Mark 703-767-0675, DSN 427-0675, email: francis_st.mark@hq.dla.mil.

- 3. FUNCTIONAL AREA:**
 - 1. Primary:** Supply. Department of Defense (DoD) Inventory Control Points (ICP) and Distribution Depots (Wholesale and Below Wholesale)

 - 2. Secondary:** Procurement, Maintenance and Financial Management Systems, and Program/Project Managers, e.g., Joint Total Asset Visibility (JTAV), Joint Computer Aided Logistics System (JCALS)

- 4. REFERENCES:**
 - a. DoD 4000.25-2-M, Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP), May 1987.

 - b. DoD 4140.1-R, DoD Materiel Management Regulation, May 1998.

 - c. DoD 4000.25-M, Defense Logistics Management System (DLMS), December 1995.

 - d. Logistics Business Systems Corporate Strategy, April 1997.

 - e. Defense Logistics Data Strategy, OADUSD (LBS & TD), July 31, 1997.

 - f. DoD Logistics Strategic Plan, Edition 1996/1997, June 22, 1996.

 - g. Global Combat Support System (GCSS) Concept, JCS-14, May 1997.

 - h. Concept of Operations, DoD Interoperable Information Environment, Draft, August 1, 1997.

 - i. Approved MILSTRAP Change Letter (AMCL) 8A, Revised Procedures for Physical Inventory Control, August 9, 1996.

- 5. REQUESTED CHANGE:**

a. Title: Storage Activity On-Hand Asset Balance Data Sharing

b. Description of Change: This change defines the on-hand asset balance data at storage activities (wholesale and below wholesale) that is shared by multiple organizations (e.g., ICPs, the Procurement, Maintenance and Financial Management Systems) and business processes (Program/Project Managers, e.g., JTAV and JCALS).

c. Procedures: Add the following new definition to MILSTRAP Definition and Terms (reference 4a), DoD Materiel Management Regulation Definitions (reference 4b), Appendix L; and DLMS (reference 4c), Volume 1.

“ON-HAND BALANCE. The total number of units currently on-hand by line item (national stock number + supply condition code = line item) and owner/manager as reflected on storage activity records.”

6. REASON FOR CHANGE:

a. The DoD’s concept of data sharing, as set forth in Logistics Business Systems Corporate Strategy, Defense Logistics Data Strategy, DoD Logistics Plan, Global Combat Support System, and the DoD Interoperable Environment Concept of Operations (references 4d - 4h, respectively) is to improve its current logistics environment to achieve cohesion and flexibility with the ultimate goal of developing information interoperability across combat support functions. Data, as defined by DoD, is an enterprise asset that must be made available for sharing locally¹ or at the corporate level² to provide information. The requirement to develop information in support of the GCSS from data resident in logistics systems and logistics transactions (i.e., DLSS/DLMS) requires the identification of data description,³ source systems,⁴ destination organization/system,⁵ and frequency of transfer.⁶

b. The DoD policy of Item Accountability/Control and Stewardship, and revised procedures for Physical Inventory Control state that: "A single total item property record shall be shared to provide materiel asset information, the total item property record shall, as a minimum, include materiel that is due in, intransit, in organic maintenance facilities, in a contractors custody, on-loan in distribution centers, reported on-hand at retail activities, and for reported assets in the custody of users." Proposed DLMS Change 19 will take the first step toward meeting the requirement for a Single Item Inventory Record as required by references 4b and 4d through 4i.

c. The Logistics Business Systems Corporate Strategy, reference 4d, is the basis for developing the concept outlined in this proposed change. The current logistics information

¹ Locally shared data is defined as data having meaning within a single Service or Agency.

² Corporate shared data is defined as data that has meaning to two or more Services or Agencies, or to third parties to a particular transaction.

³ The segments/data element's definitions contained in the transaction.

⁴ Service/Agency organization or systems originating the data to be shared.

⁵ Service/Agency organization or system to receive or use the shared data.

⁶ Time parameters to ensure priority and currency needs are met.

environment is redundant and unsynchronized. This has a direct impact on the logistics decisions making process as well as providing timely and accurate information to ancillary systems. The inability to convey information from existing logistics transactions inhibits the ability to share data. This is due (in part) to logistics systems that are not interoperable and the applications they host are rigid. Shared data (create/acquire once and share as needed) capabilities promote functional integration of activities that are focused on accomplishing a particular mission or enabling a specific business process. Data already shared, directly or indirectly or through interfaces, and data that enables business process improvements are priority candidates for data sharing, e.g., storage activity on-hand asset balances.

d. The concept of data sharing is to create data once and eliminate the requirement to reconcile duplicative databases. For example, item managers at ICPs require timely and accurate asset knowledge to effectively manage the items assigned to them. ICP processes such as requisition processing, requirements computation, returns for credit processing, disposal processing, etc., require the use of storage activity on-hand asset balance data. The on-hand asset balance is also used by financial systems to determine the value of materiel in storage. Therefore, the purpose of this proposed change is to establish and maintain the storage activity on-hand asset balance value as the single authoritative source data that is shared by ICPs, the Procurement, Maintenance and Financial Management Systems, and Program/Project Managers, e.g., JTAV, JCALS.

7. ADVANTAGES/DISADVANTAGES:

a. Advantages: This proposed change will provide the ICP and other interested parties with access to current, accurate and timely data by line item (national stock number + supply condition code = line item) and owner/manager. The shared on-hand asset balance will reduce or eliminate the anomalies and inconsistencies associated with determining and maintaining on-hand asset balances in separate databases. Sharing on-hand asset balance data will improve logistics response time, and reduce transaction workloads by eliminating the location reconciliation and end of day processes.

b. Disadvantages: None identified.

8. IMPACT:

May require modification of current Service/Agency legacy and modernization initiatives, implementing procedures, and logistics information systems. Also, see Enclosure 1, Storage Activity On-Hand Asset Data Sharing.

Enclosure to Approved DLMS Change (ADC) 21 Storage Activity On-Hand Asset Balance Data Sharing

1.0 Background

Some of the historical problems associated with maintaining accurate on-hand asset balances are the duplicative record keeping, data synchronization, and artificial organizational boundaries that have developed over time between and among the ICPs and storage activity.

Duplicative record keeping requirements for the same on-hand asset balance information requires constant reconciliation. For example, ICPs and storage activities reconcile approximately 18 million records annually (national stock number/part number common elements of data, e.g., unit of issue, condition code), of which 1.1 million have data discrepancies. The DoD accuracy rate goal for Location Reconciliation is 97 percent. Historically, the accuracy rate is between 94 - 96 percent.

Approved MILSTRAP Change Letter (AMCL) 8A, recognized the need to continue reconciling ICPs and storage activities records, including on-hand asset balances, pending the development of a shared single item inventory record.

Based on the information exchange strategy outlined in the Logistics Business Systems Corporate Strategy, designation of the storage activity on-hand asset balance as the authoritative source value will provide an initial step toward a shared single item inventory record as required by DoD Materiel Management Regulation. This data sharing approach will provide the ICPs and storage activities the same authoritative information. Sharing the storage activity on-hand asset balance will:

- Reduce materiel denials
- Reduce directing shipments from non-preferred storage activities
- Reduce initiating procurement actions too early/late
- Eliminate ICP/storage activity record imbalances
- Eliminate duplicate balance information maintenance
- Eliminate the location reconciliation and end of day processes, and
- Finally implement the policy in DoD Materiel Management Regulation, and fulfill the promises to Congress, General Accounting Office, DoD Inspector General and the Components.

2.0 Technical Consideration

A technical assessment will be conducted separately to evaluate and select the best technical approach to implementing this functional process change. The following are among the range of approaches that will be considered:

Identification of the storage activity on-hand asset balance as the authoritative source value may/will require middleware that interfaces with Defense Logistics Agency (DLA) Distribution Standard System (DSS) and each Component ICP legacy system. Use of application program

interfaces (APIs) allows the application programs of one system to access databases/files in other systems. The Global Data Management System (GDMS) is one of the tools available for use to implement this type of data sharing approach. GDMS was initially developed as part of the JCALS infrastructure. The Defense Information Systems Agency is including GDMS as a tool within the Defense Information Infrastructure (DII) Common Operating Environment (COE). The principal objective of the GDMS tool is to provide timely, authorized access to current data anywhere in the system regardless of where it is stored, how it is formatted or how it is accessed. It provides for a transparent access to data and integrates heterogeneous, distributed, and/or legacy data repository environments. The GDMS provides a mechanism to locate data across multiple database instances, accommodates horizontal data fragmentation between sites and provides replication services (master-slave hierarchy) where replication is appropriate for the business environment. A technical approach using GDMS or a equivalent tool may be one of the best near term technical solution to the sharing of the “On-Hand Balance” between inventory control points (ICP) and storage activities.

The merger of the Materiel Management and Distribution System databases is the optimal technical solution. Under this approach the two databases would be consolidated and duplicative data would be eliminated. The application programs supporting the material management and distribution functions would each access the same database for the information they require to perform their respective business functions. The values of each data element in the consolidated database would be created, changed, or deleted by the authoritative source application programs. In the case of “On-Hand Balance” the authoritative source is the DSS application programs. The database merger approach would be a significant undertaking and would likely require a business case based on far more than the benefits derived from a single on-hand balance, and the willingness of a Component to take the lead in prototyping the concept. The DLA would clearly be the preferred choice given its ICP and distribution responsibilities. The DLA DSS maintains approximately 85 percent of the DoD materiel in storage. The DSS has implemented approximately 90 percent of the requirements of AMCL 8A, and DLA has upgraded its warehousing systems and provided extensive training to personnel involved in the distribution system. The DSS interfaces with each of the Component ICP legacy systems and provides unique data as required by the individual Component.

The technical approach selected will likely impact the timing and phasing of the implementation. The Components will also need to evaluate the impact that data sharing may have on reducing or eliminating the need for DLSS transactions that are passed between the ICP and requisitioner, ICP and financial systems, and ICP and DSS, once data sharing has been implemented.

Approved DLMS Change 19—Request for Prototype Participation
Aug 20, 1998

Coordination: _____ MJ Johnson

_____ F. St Mark

_____ P. Brittingham