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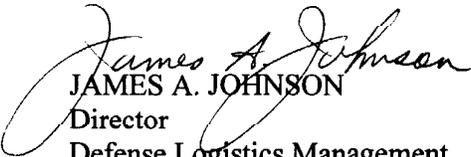
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MEMORANDUM FOR: DISTRIBUTION

SUBJECT: Approved DLMS Change (ADC) 33, Revised Inventory Prioritization
(Supply/MILSTRAP) (Staffed by Proposed DLMS Change 42)

The attached is published as an approved change to DoD 4000.25-M, Defense Logistics Management System (DLMS) and DoD 4000.25-2-M, Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP), as being amended by Formal Change 5. This change requires Service interface with the Defense Logistics Agency (DLA) Distribution Standard System (DSS). This change can be implemented by DSS on May 31, 2001. **Accordingly, the initial implementation date for ADC 33 is May 31, 2001, however implementation can occur after that date, on a staggered basis by each Service as they are capable. Service implementation dates should be identified to DLMSO as they become available.** It is to each Service's advantage to implement this change as soon as possible to provide a means to identify to the DSS, your inventory prioritization requirements.

Addressees may direct questions to the DLMSO point of contact, Ms. Mary Jane Johnson, DSN 427-0677, (703) 767-0677, or e-mail: maryjane_johnson@hq.dla.mil. Others may direct questions to their Service or Agency designated representative.


JAMES A. JOHNSON
Director
Defense Logistics Management
Standards Office

Attachment

DISTRIBUTION:

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cc:
ADUSD SCI
Joint Physical Inventory Working Group
LMI

Approved DLMS CHANGE (ADC) 33
Revised Inventory Prioritization Model

1. ORIGINATOR:

a. Service/Agency: Joint Physical Inventory Working Group (JPIWG), April 12-13, 1999, and December 1-2, 1999, JPIWG Meetings.

b. Originator: Mary Jane Johnson, JPIWG Chair, DLMSO, DSN 427-0677, (703) 767-0677; Email: maryjane_johnson@hq.dla.mil

2. FUNCTIONAL AREA: Supply

3. REQUESTED CHANGE:

a. **Title:** Revised Physical Inventory Prioritization Model

b. **Description of Change:** Revise MILSTRAP/DLMS physical inventory procedures to place responsibility for the owner's inventory prioritization methodology/model with the owner rather than the distribution depot.

c. **Procedures** (Changes are identified for DoD 4000.25-2-M (MILSTRAP), as being amended by Formal Change 5). Associated changes would be made to DoD 4000.25-M, DLMS):

(1) Revise MILSTRAP, Chapter 7, paragraph B.10.c.(5) as follows:

"(5) Owners may select items for inventory based on the owner physical inventory prioritization methodology or model which considers characteristics identified by each Service based on Service priorities, readiness drivers; etc. The owner and depot would negotiate projected workload at least once annually, (prior to each Fiscal Year). The owner would provide the prioritization methodology/model results to the distribution depot annually by submission of a DI Code DJA transaction with a Type Physical Inventory Code I". Items selected for inventory based on the Owner priority selection system shall not be given priority over items in subparagraphs B.10.a., B.10.b., B.10.c(1), B.10.c(2), and B.10.c(3)."

(2) Revise MILSTRAP, Appendix B-3, Type of Physical Inventory/Transaction History Codes to revise code "I" as follows:

CODE	DEFINITION
I	<i>Scheduled inventory. Initiated by owner based on owner's inventory prioritization methodology.</i>

4. REASON FOR CHANGE: Current MILSTRAP procedures provide for an inventory prioritization model resident at the distribution depot. The model uses variable characteristics identified by the owner to prioritize items for physical inventory. The current requirement would result in a cumbersome and inflexible process that would not be readily responsive to an owner's changing priorities. This change alleviates that inflexibility by placing responsibility for the inventory prioritization methodology with the owner.

5. ADVANTAGES AND DISADVANTAGES:

a. Advantages: Placing responsibility for the inventory prioritization model with the owner provides the owner with a more responsive and flexible process.

b. Disadvantages: None identified.

6. IMPACT:

a. Publications: Revises MILSTRAP, DLMS and Service/Agency publications as applicable.

b. Systems:

(1) Requires changes to Service/Agency wholesale ICP systems to establish an inventory prioritization methodology if Service/Agency elects to perform this function, and to generate the associated DI Code DJA with Type of Physical Inventory Code "I".

(2) Requires changes to the Distribution Standard System to recognize and process as part of the inventory prioritization process DI Code DJA transactions received with Type of Physical Inventory Code "I".