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IN REPLY
REFER TO DLMSO


JUN 14 2006

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 199,
Revisions to DLMS Supplement 527R to Support Requirements for Tailored Vendor
Relationships Materiel Receipt Acknowledgment (Staffed by PDC 204) (Supply)

The attached change to DOD 4000.25-M, DLMS is approved for immediate implementation. This change is required for a Defense Logistics Agency (DLA) Business System Modernization (BSM) release to support Defense Medical Logistics Standard Support (DMLSS).

Addressees may direct questions to the DLMSO point of contact Ms. Mary Jane Johnson, e-mail: Mary.Jane.Johnson@dla.mil. Others must contact their Component designated Supply Process Review Committee representative.


DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:
DUSD(L&MR)SCI
Joint Physical Inventory Working Group

ATTACHMENT TO ADC 199

Revisions to DLMS Supplement 527R to Support Requirements for Tailored Vendor Relationships Materiel Receipt Acknowledgment Transactions (Staffed by PDC 204) (Supply)

1. ORIGINATOR:

- a. **Service/Agency:** Defense Logistics Agency
- b. **Originator:** DLA Order Fulfillment Lead

2. FUNCTIONAL AREA: Primary: Supply/Logistics

3. REFERENCE:

- a. Army Medical Material Agreement (**AMMA**) Functional Requirements Document.
- b. DLMSO memorandum, April 21, 2006, subject: Proposed Defense Logistics Management System (DLMS) Change (PDC) 204, Revisions to DLMS Supplement 527R to Support Requirements for Tailored Vendor Relationships Materiel Receipt Acknowledgment.
- c. DLMSO memorandum, May 23, 2006, subject: Defense Logistics Management Systems (DLMS) Supply Process Review Committee (SPRC) Meeting 06-01, April 25-27, 2006.

4. REQUESTED CHANGE:

- a. **Title:** Revisions to DLMS Supplement 527R to Support Requirements for Tailored Vendor Relationships Materiel Receipt Acknowledgment Transactions (Supply)
- b. **Description of Change:** These changes allow Materiel Receipt Acknowledgments (MRA) to be processed in the Defense Logistics Agency's Business System Modernization (BSM) from the Defense Medical Logistics Standard Support (**DMLSS**) for the Tailored Vendor Relationships (**TVR**) process.
- c. **Background:** The TVR process was implemented in BSM Release 2.2 (R2.2). TVRs are those business processes where there is a direct relationship between the customer and the vendor. That is, customers place orders directly with the Prime Vendor, outside the normal supply system requisitioning channels, using various communication channels such as electronic data interchange (EDI), phone, fax, e-mail, or via the prime vendor's ordering system. BSM receives copies of transactions in order to maintain line item accountability.

Currently, MRA (MILSTRAP Document Identifier code DRA) for the TVR process can be received from DMLSS, Theater Enterprise-Wide Logistics System (**TEWLS**), and EMALL as EDI 861 transactions. In order to be compliant with DLMS standards for MRA, the EDI 861 will be replaced by a DLMS 527R MRA in R2.2.1. While the current DLMS 527R MRA implementation convention meets most of the requirements for the TVR process, additional fields are necessary.

This process was discussed at the SPRC meeting 06-1 (reference 3.c.) and the background was summarized in the minutes as follows: In DLA's legacy system, AMMA was known as Medical Army Single Stock Fund. The new agreement between DLA and Army renamed the program, and to support this supply technique in DLA's ERP (BSM), some reengineering of the process has taken place which requires additional data to be passed in the associated DLMS transactions. Under the AMMA concept, DLA owns the medical materiel all the way down to the retail or hospital shelf level until it is issued to a consumer. When it is issued to a consumer, then a post-post issue transaction is sent to DLA, inventories are debited, and the customer is billed. To replenish DLA-owned "retail" materiel from DLA supply sources, Army employs DMLSS/Theater Enterprise-Wide Logistics System (TEWLS). There are multiple ordering chains used to obtain materiel depending on how DLA manages the item. These range from traditional MILSTRIP stock and DVD orders for medical NSN items to TVR direct procurements for part number items. However, the predominance of support is via the TVR arrangements. TVRs are business processes where there is a direct relationship between the customer and the vendor (e.g., customers place orders directly with the Prime Vendor or with an Electronic Catalog (ECAT) Vendor). BSM receives copies of the transaction between the customer and the vendor in order to maintain line item accountability. Under the AMMA process, when the hospital receives the materiel they send a receipt transaction back to BSM so the assets are posted on DLA's records as the owner, however, DMLSS/TEWLS maintains the accountable record.

d. DLA recommended:

(1) Update 527R CS Segment DLMS Notes for TVR MRAs

DMLSS/TEWLS multi-line purchase orders may only have a summary document number that applies to every line. As a result, the PIIN/SPIIN and line item number are required to uniquely identify order lines. The DLMS note for the CS segment currently reads: "Do not use for MRA or inquiries on delinquent MRA." The note needs to be updated to allow the CS segment for TVR MRAs such as: "Do not use for MRA or inquiries on delinquent MRA (except for TVRs)."

(2) Add the following fields to the 527R implementation convention:

Local Catalog ID – Material number used by DMLSS/TEWLS sites to reference multiple prime vendor part numbers for a specific site. Inventory recorded and issues are made using this item number. A new LIN02 qualifier of "A3" could be added to identify these local catalog IDs.

Final Receipt Indicator - Indicator at the line item level to communicate that the customer/site does not expect additional receipts. If this indicator is populated BSM does not expect further DMLSS/TEWLS activity against the CLIN.

Unit Price – For the TVR MRA this price could be considered the contract price and be passed as CS15. This value can be used to validate that there are not inconsistencies between the price the customer expects to be billed and the price they will be billed.

e. PROCEDURES. Revise DOD 4000.25-M, DLMS, as follows (changes are identified by *red, bold, italicized* text):

(1) Revise DOD 4000.25-M, DLMS, ACRONYMS AND ABBREVIATIONS, to add the following new acronyms.

ACRONYM	DEFINITION
<i>AMMA</i>	<i>Army Medical Material Agreement</i>
<i>DMLSS</i>	<i>Defense Medical Logistics Standard Support</i>
<i>TVR</i>	<i>Tailored Vendor Relationships</i>
<i>TEWLS</i>	<i>Theater Enterprise-Wide Logistics System</i>

(2) Revise DOD 4000.25-M, DLMS, Volume 2, Chapter 13 to add a new paragraph C13.5.3.8:

C13.5.3.5.8. MRA for Tailored Vendor Relationship (TVR) Shipments. DLA, in conjunction with the Services and vendors, has implemented TVR. TVR is a business process where there is a direct relationship between the customer and the vendor. Under TVR, customers place orders directly with the Prime Vendor, outside the routine supply requisitioning process/systems, using various communication channels such as electronic data interchange (EDI), phone, fax, email, or via the prime vendor's ordering system. DLA BSM receives copies of transactions in order to maintain line item accountability. MRA of TVR shipments require use of the contract number, call, and line item numbers, to uniquely identify lines. This data is necessary because TVR orders can have multiple lines for the same document number and suffix code. DLA receives MRAs for TVR from Defense Medical Logistics Standard Support (DMLSS), TEWLS (Theater Enterprise-Wide Logistics System), EMALL, or customer systems.

(3) Revise DS 527R as shown in the table below:

Item #	Location	DS 527R MRA Revision	Reason	Federal IC Impact
1.	DLMS Introductory Notes	Added ADC 199 - ADC 199, Revisions to DS 527R to Support Requirements for Tailored Vendor Relationships Materiel Receipt Acknowledgment	Identifies DLMS Changes included in the DLMS Supplement	No revision required
2.	2/LIN02/10	Add new qualifier A3 with DLMS note: A3 Locally Assigned Control Number DLMS note: Defense Medical Logistics Standard Support (DMLSS)/Theater Enterprise-Wide Logistics System (TEWLS) use to cite their Local Catalog Identification which can reference multiple prime vendor part numbers for a specific site. 2. DLMS enhancement. See introductory DLMS note 5.a.	To accommodate requirement for Local Catalog Identification number	No revision required

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Item #	Location	DS 527R MRA Revision	Reason	Federal IC Impact
3.	2/CS/20	<p><u>Revise segment level note to read:</u></p> <p>DLMS Note: Do not use for MRA or inquiries on delinquent MRA, except for Tailored Vendor Relationships (TVR) MRA. TVR MRA requires use of the contract number, call, and line item numbers to uniquely identify lines. Additionally, TVR MRA requires the contract unit price.</p>	MRA of TVR shipments requires use of the contract number (Procurement Instrument Identification Number), call, and line item numbers to uniquely identify lines. Additionally, CS15 is required to accommodate the contract unit price.	No revision required
4.	2/CS04/20	<p><u>Delete current Federal note and add new Federal note:</u> Use any code.</p> <p><u>Add DLMS notes:</u></p> <p>1. Use the appropriate code, based on the CS01 information, when the Exhibit Line Item Number (ELIN), Contract Line Item Number (CLIN), Agreement Line Item Number (ALIN), or delivery order line number are known.</p> <p>2. For DLMS, only the following codes are authorized.</p>	Administrative update to allow addition of new qualifiers for DLMS use	Revision required
5.	2/CS04/20	<p><u>Add new qualifier FJ with DLMS note:</u></p> <p>FJ Line Item Control Number</p> <p>DLMS note: 1. Use to identify the delivery order line item number for TVR MRA to differentiate the lines on the delivery order.</p> <p>2. DLMS enhancement. See introductory DLMS note 5.a.</p>	To add the number applied to differentiate the lines on a delivery order (and not the actual lines on the contract)	No revision required
6.	2/CS15/20	<p><u>Make 2/CS15/20 used</u></p> <p>DLMS note: 1. Use only for TVR MRA transactions.</p> <p>2. DLMS enhancement. See introductory DLMS note 5.a.</p>	To accommodate contract unit price required for TVR MRA	Revision required

Item #	Location	DS 527R MRA Revision	Reason	Federal IC Impact
7.	2/N901/90	<p><u>Add new qualifier 'FS' with DLMS note</u></p> <p>FS Final Sequence Number</p> <p>DLMS Note: 1. Use only for TVR MRAs and AMMA receipts as a final receipt indicator. Cite Z in N902 as the Final Receipt Indicator.</p> <p>2. The Final Receipt Indicator is used for TVR MRA and AMMA receipts to communicate that customer/site does not expect additional receipts. The customer knows additional receipts are not expected because the total order quantity has been receipted, the remaining quantity has been cancelled by the customer, or the customer and vendor are otherwise in agreement regarding a quantity lower than the order quantity.</p> <p>3. DLMS enhancement. See introductory DLMS note 5.a.</p>	<p>Final receipt indicator is used by the customer to communicate that customer/site does not expect additional receipts.</p> <p>Used in both the TVR MRA and AMMA receipt processes.</p>	No revision required

f. DAASC Mapping: Update DAASC mapping to allow DS 527R transactions containing the new fields to pass edits and to accept 527R MRA transactions with a CS segment. The new data is not used with the MILS 80 record position MRA transactions.

g. Alternatives: BSM will not be able to support the TVR process using DS 527R MRA without these changes and will need to continue use of the non-DLMS standard 861.

5. REASON FOR CHANGE:

6. BSM requires additional fields in DS 527R for TVR MRAs in order transition away from the EDI 861. This is DLMS enhanced data not conveyed by MILSTRAP MRA (Document Identifier (DI) Code DRA) transactions.

7. ADVANTAGES AND DISADVANTAGES:

a. Advantages: BSM and DMLSS/TEWLS will be able to comply with DLMS standards for TVR MRA.

b. Disadvantages: BSM, EMALL, and DMLSS will be required to change current EDI 861 processing to convert to the 527R MRA.

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