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IN REPLY
REFER TO

DLMSO

NOV 29 2006

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 209,
Processing Contractor Furnished Materiel (CFM) Requisitions between
Government Sources of Supply and Army Contractors (Supply/MILSTRIP)
(Staffed as PDC 186)

The attached change to DOD 4000.25-M, DLMS, and DOD 4000.25-2-M, Military
Standard Requisitioning and Issue Procedures (MILSTRIP), is approved for implementation

Addressees may direct questions to the DLMSO points of contact, Ms. Ellen Hilert, Chair,
Supply Process Review Committee, 703-767-0676, DSN 427-0676, or e-mail: ellen.hilert@dla.mil.
Others must contact their Component designated representative.

A handwritten signature in black ink that reads "Donald C. Pipp".

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:
DUSD (L&MR) SCI

ADC 209
**Processing CFM Requisitions between Government Sources
of Supply and Army Contractors**

1. ORIGINATOR:

a. Service/Agency: Defense Logistics Agency (DLA J-4/CSO-A), 703-767-1243, on behalf of DLA and US Army requirements

b. Sponsor: Ms. Ellen Hilert, Chair, Supply Process Review Committee, 703-767-0676, DSN 427-0676, or e-mail: ellen.hilert@dla.mil

2. REFERENCES: Change to DOD 4000.25-1-M, Military Standard Requisitioning and Issue Procedures (MILSTRIP), and DOD 4000.25-M, Defense Logistics Management System (DLMS)

3. FUNCTIONAL AREA: Primary Supply

4. REQUESTED CHANGE:

a. Title: Processing Contractor CFM Requisitions between Government Sources of Supply and Army Contractors.

b. Description of Change: This change establishes procedures for processing Army CFM requisitions from Army Contractors which are authorized to utilize DLA as a Source of Supply (SOS) within Army PBL and associated contracts. CFM transactions will not be subject to Army Materiel Control Activity (MCA) edits. **Note:** Although this ADC is written to accommodate the Army business rules for contractor requisitions; the new controls established for CFM requisitions will be available to all Components. This change also applies to Contractor Furnished Equipment (CFE) where obtained under DLMS/MILS requisition-related business rules. Yellow highlighting identifies changes subsequent to initial staffing. Blue highlighting is used to identify changes during second cycle of coordination.

c. Procedures:

(1) All Army CFM DODAAC assignments must be fully processed IAW Army LOGSA process and coordinated with the Defense Automatic Addressing System (DAAS) to insure the correct information is contained in the Type Address Codes (TAC) I, II, III, and IV fields. Once an Army CFM DODAAC is obtained and provided to the authorized contractor, requisitions and associated transactions containing an Service/Agency code designated for contractors, as specified in AP2.2 (MILSTRIP A0_record position 30-35 or rp 45-50), will be processed under Government Furnished Material (GFM) controls and restrictions except when the signal and fund codes indicate the issue will be for CFM with contractor reimbursement.

(2) CFM requisitions for materiel from Government SOSs for shipment to contractors will identify the contractor as the bill-to-activity and address (TAC III). Army policy prescribed within MILSTRIP subjects CFM requisitions to GFM MCA controls. This change provides for an

alternative to full MCA validation based upon CFM DODAAC/authorized NSNs or DOD-managed part numbers available at the Defense Automatic Addressing System Center (DAASC) and within DOD EMALL. Government sources will provide MILSVC COR's with reports that will assist in oversight of the contractor usage of CFM. Such reports and frequency will be negotiated between the Government SOS and the MILSVC Contract Administrator.

(3) The authorized CFM DODAAC and applicable NSNs/part number resident in a table at DAASC which can be checked regardless of the originator of the transactions and allow them to bypass the standard MCA. The DAASC process will need to include rules as described in AP4.2.1.3 to insert "SGA/SHA" in rp 74-76 that will allow the automated validation of the AX1 as described in AP4.2.1.6.

(4) A flow diagram is shown at Enclosure 2 to illustrate the intent of the proposed DAAS edit under new business rules. The actual design of these edits will be determined by DAASC. The new business rules are incorporated in MILSTRIP Chapter 11 at Enclosure 3. The current Army authorized management control activity exception process for contractor requisitions is shown at Enclosure 4.

5. REASON FOR CHANGE:

a. Background: Army systems and processes have not recognized CFM requisitions, forcing the use of work-around measures to permit contractors to purchase material as CFM. Issuing of contractor DODAACs by the Army has been strictly limited to Government Furnished Materiel (GFM) and governed by those system rules and processes. Due to a change to the DOD business environment under the Total Life Cycle System Management (TLCSM) concept this process has hindered Government Sources of Supply to fully partner with Army Performance Based Logistics (PBL) Contractors and other authorized Army Contractors performing rebuild/reset/sustainment work on behalf of the Army. This obstacle was brought to the forefront during a PBL engagement when an Army contractor desired to partner with DLA as their direct supplier. An authorization clause was inserted into the contract; and when the COR requested a DODAAC, LOGSA assigned a standard GFM DODAAC (establishing TAC addresses in the way Army has always done for GFM). When the contractor tried to submit a funded requisition direct to DLA using the GFM DODAAC, the requisitions would get trapped at DAASC by the MCA edit established under MILSTRIP rules by the Army for all Army contractor requisitions. This edit caused the requisitions to reject back out to the customer with a Status Code CL. A need to adopt CFM DODAACs to enable full partnering was recognized, and LOGSA proceeded to work the necessary system/process issue changes.

b. This change allows for a partnering between Army, DLA (through DOD EMALL and standard MILSTRIP requisitioning), and DAASC which will permit required controls for CFM without negatively impacting others.

6. ADVANTAGES AND DISADVANTAGES:

a. Advantages:

(1) This change is designed to have minimal procedural and automated processing impact. No program changes are required by the SOS or Army systems for CFM DODAACs to process between Government SOS and Contractor. Precautions have been addressed which will enable the actual recording of sales and direct billing to the authorized contractor in the financial/management system. DAASC will insert an edit table validation within existing framework to accommodate CFM validation which will differ from the current Army MCA edit processing.

(2) The changes documented here to support Army CFM controls may be expanded to provide CFM controls on a DOD basis.

b. Disadvantages: This ADC does not include recommendation for procedures for COR/KO to officially notify EMALL that the PBL contractor will be registering on their site.

7. Alternatives: Assess use of DOD Activity Address File Authority Code (available under DODAAC Re-engineering to identify authorized CFM requisitioners).

8. Impact:

a. These changes apply to MILSTRIP and related processes contained in the following key regulatory guidance:

(1) Revise MILSTRIP Chapter 11 (attached)

(2) Revise AR 725-50, Chapter 9, DOD Activity Address Directory (DODAAD) and DOD Activity Address Code to Unit Identification Code (DODAAC/UIC)

(3) DOD 4140.1-R, Chapter C5.11. DOD Materiel Management Regulation, Control of Access to DOD Materiel Inventories by Authorized Army Contractors

b. Authority for Contractors to Use Government SOSs for CFM: MILSVC COR must insert an authorization clause into Section H or I of the contract prior to any request for a CFM DODAAC. If COR is allowing contractor to use *all* Government SOSs then the clause will read: "Contractor is authorized to use Government Sources of Supply to obtain CFM." This **is not a recommended clause** to insert without prior coordination with the designated Government SOS's. It's too broad and could contribute to potential fraud by authorized contractor since they'll have access to any/all DOD supply chains. If COR is allowing contractor to use only DLA SOS's then the clause will read: "Contractor is authorized to use DLA as a source of supply for CFM." IAW DFAR 251.102, Table 51.1. Once an authorization clause is inserted in Section H of the contract, the Army COR will request assignment of a DODAAC for requisitioning CFM IAW with OSD Memorandum, Policy Guidance Regarding the Provisions By DLA of Materiel to Performance Based Logistics Contractors, dated March 29, 2005.

c. LOGSA Process to Enable Assignment of a DODAAC for CFM. This information is provided to illustrate the LOGSA process for assignment of DODAACs for CFM which previously inhibited proper recording of contractor TAC III addresses.

(1) As an Army Network Station (ANS) POC for DODAACs, AMCOM currently provides a contractor DODAAC request form to all COR/COS in order to assist them in the assignment of a contractor DODAAC. The assignment of a performance based logistics (PBL) contract with CFE/CFM will require additional information in order to support the logistics and financial requirements of a contractor ordering materiel from DLA/DOD EMALL.

(2) The following information will be added to the existing AMCOM form to expedite the assignment of a contractor fiscal station number billing address, which will be required prior to requesting the DODAAC.

- PBL CFE/CFM contracts will furnish the page of the contract that denotes the requirement for CFE/CFM.
- PBL CFE/CFM contracts will provide the billing address of the contractor.
- Each CFE/CFM DODAAC request will require the assignment of a unique contractor fiscal station number (FSN) to be assigned by DFAS Indianapolis Indiana, that will include the proper contractor billing address.
- To ensure timely assignment of the DODAAC the COR/ANS will be required to transmit the FSN assignment to DFAS 7 days prior to DODAAC request submission. The ACSP will require receipt of DODAAC request 3-5 days before approval/disapproval.
- Only one PBL CFE/CFM DODAAC will be assigned per contract number, per location.
- A GFE/GFM DODAAC can be assigned to the same contract number as a CFE/CFM DODAAC but will require the FSN of the MSC/ANS. Only one GFE/GFM DODAAC will be assigned per contract number, per location.
- The COR and the ANS will maintain the responsibility to monitor all PBL contracts to ensure multiple FSN assignments are not requested for the same contractor billing address regardless of contract number or existing DODAAC.
- It will be the responsibility of the COR and ANS to advise the contractor that the DFAS PBL CFE/CFM FSNs will not be affiliated with any financial table or interface and will not be utilized for allotment or disbursement of funds.
- All requests for PBL GFE/GFM FSN assignment will be approved by the COR and the ANS/MS. Once request is validated the e-mail request will be sent to the appropriate e-mail box at DFAS by the ANS/MS.

d. Fiscal Station Number (FSN) Assignment. DFAS will assign the FSNs in order to maintain the logistical integrity required for existing standard Army systems (STAMIS) and the Logistics Modernization Program (LMP). DFAS will require an e-mail with the following:

- FSN request is for PBL CFE/CFM
- Name and billing address of the contractor
- Name and number of the COR
- Name, number and location of the MSC/ANS
- Name and number of the LOGSA Army central service point (ACSP) approving official

DFAS will require 48-72 hours to review and assign. DFAS will assign a constant "C" as the first position of the FSN to be followed by numerics: example of FSN = c0001

Upon notification from DFAS the ACSP will load the assigned FSN with the contractor billing address into the LOGSA FSN tables.

e. EMALL Procedures

(1) Screen Contractor Carts for Allowed NSNs (Reference EMALL Issue 2589). For contractors that are using DOD EMALL there may be instances where the Government desires to limit the NSNs that can be ordered to those the Government deems are within the scope of the contract. When a contractor shopping cart enters the rule engine, it will retrieve the contract number with which the contractor is registered from the contractor user's profile. The rule engine will compare the contract number with those files of NSNs applicable to this process that will be stored for access by the rule engine. These files will be provided by the Service writing the contract and requiring this limitation. (PDC Note: This procedure will be mandatory for contractors using Army-authorized DODAACs. A format for the file will be specified. If there is a file stored for the contract listed in the contractor's user profile, the rule engine will compare the NSNs in the shopping cart to those in the file. If there are NSNs in the shopping cart that are not in the file, DOD EMALL will advise the user they are attempting to order unauthorized NSNs. DOD EMALL will advise the user the system will return them to their current cart and that the unauthorized NSNs will be marked. DOD EMALL will suggest that if the NSNs in question are new items of supply added to support the contract, they need to forward a copy of their cart or communicate in some way with the contracting officer that the NSNs must be added to the EMALL file. The user will be advised that they must either get the NSNs added by the Contracting Officer (EMALL will provide the contracting officer's contact info) or remove those items in order to be able to proceed. This does not apply to commercial part numbers. Improvement to Contractor Registrations, Issue 1964 (below), must be implemented along with this change. (PDC Note: DOD-managed part number added subsequent to EMALL issue documentation.)

(2) Improvement to Contractor Registrations (Reference EMALL Issue 1964). When users register as contractors, DOD EMALL will provide the following additional data on the registration page and save it in the data base for that user's profile: Add a block for the Program or Project Name (make a special note that if they are ordering GFM or CFM in direct contract performance that they must furnish the designation of the weapons system or other DOD project being supported, e.g., "KC-135"). Add radio buttons/drop down box for the user to select from: * Employed by US Government as support/administrative staff * Call center employee/Customer Assistance * Ordering GFM or CFM in direct contract performance * DOD EMALL Supplier. Also, save the text entered into the justification for needing access to DOD EMALL block for future reference. Make all these fields mandatory.

(3) Create Report for Contract Ceiling (Reference EMALL issue 1571). For contracts that have a maximum total dollars ceiling, create a business objects report that will be generated when the accumulative value of the dollars awarded reaches 80% of the ceiling. Send a copy of the report to the help desk and to the contracting officer. **Create Report for Contract Ceiling is an outstanding issue (EMALL-100) which has not yet been implemented.**

Enclosures

(Encl. 1 - Comments received during staffing and disposition)

ENCLOSURE 1: Comments Received During Staffing and Disposition

Army Comments:

1. **Paragraph 4.c.(2) "Procedures"**; That the first sentence state from "DLA" in lieu of Government sources since this is the primary reason for this change to allow DLA to provided CFM to Contractors as a Performance Based Logistics (PBL) partner.

DLMSO Response: Nonconcur. The sentence reads correctly as is: "CFM requisitions for materiel from Government SOSs for shipment to contractors will identify the contractor as the bill-to-activity and address (TAC III)." While it is true that this change is being developed to support PBL partners requisitioning from DLA, the business rule is equally true when applied to all Government SOSs; this change, the resulting edits, and the MILSTRIP manual is being developed to support Enterprise-wide usage.

2. **Paragraph 8.b. "Impact"**; Recommend that the title of this paragraph to be changed to: "Authority for Contractors to use DLA as a Government Source for Contractor Furnished Materiel. " This is primarily due to the fact that the Army is per say not participating as a Government source that is selling materiel to a contractor to support CFM but those Army items are being offered as GFM to the Contractor and fall under the GFM procedures.

DLMSO Response: Concur. The title original paragraph title: "Authority for PBL Contractor to Use Government SOSs," has been reworded to: "Authority for Contractors to Use Government SOSs for CFM." The new title is consistent with the recommendation, but supports DoD-wide usage.

3. **Paragraph 8.c.(2), "Third Bullet"**; "LOGSA Process to Enable Assignment of a DODDAC for CFM". If a separate Fiscal Station Number (FSN) is required for each contractor then why is this required if manual billing actions must occur for CFM based on the "XP" Fund Code in the Contractor requisitions for CFM? Normally, FSNs are only required where automated Inter-Fund billing actions are to be effected by DFAS for shipments to Contractors. The special FSN does work in the LOGSA system for DODAAC assignment due to the fact that the FSNs will appear to be merely pseudo type FSNs and there will not be any interfund actions against those DFAS assigned FSNs. The Contractor billing address will be part of the CFM DODAAC TAC III address, therefore the DFAS should not be required to build a separate FSN for Contractors in order to complement the processes for manual billing actions which is already "in-place".

DLMSO Response: This information was provided by the Army. This question is returned to the Army for internal resolution. Army does not want to revise this paragraph.

4. **Paragraph 8.c.(2) "Ninth Bullet"**; Due to the fact that the FSN is and has always been part of the GFM DODAAC TAC III address for GFE/GFM DODAACs then why should there be a special requirement to notify DFAS of this assignment since the process is already in place to effect automated billing and disbursements actions? It seems this requirement is unnecessary due to the fact that an automated process already exists and the DFAS financial interfaces currently promotes this capability in an automated manner without notification to the DFAS that a new DODAAC has been assigned which permits billing to those TAC III addresses.

DLMSO Response: This information was provided by the Army. This question is returned to the Army for internal resolution. Army does not want to revise this paragraph.

5. **Paragraph C11.8. "CONTRACTOR REQUISITIONS FOR CONTRACTOR-FURNISHED MATERIEL"**; The added statement highlighted in Yellow spells-out that DAASC will act as the Army

MCA should be changed to indicate that the DAAS will perform the validation transactions for Contractor Furnished materiel (CFM) for those DLA-managed items which Contractors are authorized to requisition as CFM. The actual MCA validation edits have been in place for many years and DAAS does not perform those validation edits for Government Furnished Materiel (GFM) for national levels of Supply and the manner in which this statement is shown reflects that all edits will be performed by DAAS, and "for GFM" DAAS is only performing routing functions for validation transactions. The DAAS will continue to perform the validations edits for "retail" activities when the first and second positions of the "C" type DODAACs are not equal to a wholesale level of supply as indicated in AP4.2.1.4.

DLMSO Response: Concur. The original sentence: "DAAS is authorized to act as the Army MCA as specified in this chapter and under Appendix 4.2." has been replaced by the following sentence as requested, but with additional text in bold italics: "DAAS will perform the validation of transactions for *Army contractor requisitions of* CFM for those items which contractors are authorized to requisition as CFM as specified in this chapter and for non-wholesale level supply as designed by the contractor-series DODAAC under Appendix 4.2."

6. Appendix 4.2. subparagraph AP4.2.1.3., On line 2, delete "(three positions for USACEA)". Also, last item, delete "AP4.2.1.3.7. If rp 30-32 or rp 45-47 is CGA, pass to RI A87 (USACEA MCA)". USACEA no longer maintains an MCA. CECOM MCA now handles.

DLMSO Response: Concur. Text is updated.

7. Appendix 4.2. subparagraph AP4.2.1.5., should not be relevant since all passing actions (DIC = A3_) contains the Management Control Activity (MCA) Routing Indicator Code equal to the AMC MSC MCA RICs in report position = 67-69 on all passing orders to ensure that those validations actions are routed back to the Army MCAs.

DLMSO Response: Concur. Text is updated.

8. Appendix 4.2; subparagraphs equal to AP4.2.2; AP4.2.3; and AP4.2.4 actually show no relevance to the primary language to Chapter 11 concerning GFM or CFM and should be deleted due to the fact that these functions are not part of GFM or CFM requisitions processes.

DLMSO Response: Nonconcur. Appendix 4.2 will be republished in its entirety with this ADC.

Followup: Army has now provided new dates as requested.

9. Paragraph 8.6. In response to comments, Army concurs the LOGSA process to enable assignment of a DODAAC for CFM will be carried in Army AR 725-50, Chapter 9.

AMCOM Comments:

After a review of the Draft PDC 186, there seems to be a perspective that any Source of Supply within DOD can be utilized as a source for CFM. At this time we recommend that a response be sent back stating that at this time the Army chooses "not" to participate as a DOD Component that is willing to sell materiel to Contractors. The major factor contributing to this is that the MSC operating platform (CCSS) does not have the capability to control incoming requisitions from Contractors that contain other than Army type DODAACs which reflect an XP fund code. We are currently experiencing Contractor requisitions on a "Daily" basis which contain an "XP" Fund Code and they are issuing materiel On-line if the items are Non-Controlled and these requisitions are bypassing the system control logic.

The meetings with the ASAALT, DA, AMC and personnel of the AMC-MSCs plus DLA were primarily engaged with initiating a capability where Contractors could requisition DLA materiel in support of PBL type contracts and not necessarily as the proposed Draft PDC is showing which exceeds that to a degree that may allow Contractors to gain access to any Source of Supply with DOD Inventories.

Based on the influx of Contractor requisitions on Air Force, Navy, DLA, Marine, and Army DODAACS to AMCOM which contain a directed billing action to a contractor based on an "XP" Fund code it seems that without specific language that can be incorporated into Contracts, things that we are experiencing will continue to get worse.

Also, until the point in time that the DLA EMALL can incorporate some type of software capability to limit Contractors access to specific materiel it is recommended that a delay in the implementation of this change should be planned until a restrictive capability is in effect within the EMALL. AMCOM within the past week and this week received Contractor requisitions that were received with an "XP" Fund Code and the transactions were sent to AMCOM from the EMALL COMMRI and the items were managed by the AMCOM Aviation domain. We are initiating manual searches on a daily basis of the Item Accounting Input/Output reports to identify those requisitions and for all found we are initiating cancellations actions although some have processed and materiel has been shipped when the processing timeframe is outside of normal work hours for the MCA personnel.

DLMSO Response: We concur that there is a problem with lack of control over CFM on an enterprise level and we are pursuing OSD policy guidance so that MILSTRIP business rules can be applied DOD-wide rather than at the individual Service level. However, the purpose of this change is to establish controls which will work on an enterprise level for all contractor situations. We are documenting that the CFM edits are to be implemented by the Army only at this time, but we do not believe that the manual should specifically state that the Army will not sell CFM to vendors/PBL providers under contract to another Service. This should be addressed on a case-by-case basis. While the Army may not provide this type of support at this time, this does not impact the manner in which the procedures and edits are documented. Army has not documented a request to systematically reject CFM requisitions from non-Army contractors.

TACOM Comments:

1. When CFM is to be obtained from DLA, a Fiscal Station Number will be required for the contractor prior to assigning the CFM DODAAC. (Affects Acquisition, DODAAC coordinator and Finance.)

DLMSO Response: Concur: The text includes this statement which seems to adequately cover this issue: "The following information will be added to the existing AMCOM form to expedite the assignment of a contractor fiscal station number billing address, which will be required prior to requesting the DODAAC."

2. If both CFM and GFM are in the contract, separate DODAACs will be required for each. They will have different TAC 3 addresses. (Affects Acquisition, DODAAC coordinator, MCA Group and Finance)

DLMSO Response: Nonconcur: Technically the Army is not in violation of the DODAAC Policy (DOD 4000.25.6-M) in the assignment of two DODAACs for a contractor that has CFM and GFM authority. However, it is not recommended that the Army assign two DODAACs to the same contract to meet the requirements for CFM and GFM processing. If Army establishes a contractor DODAAC with the following information: TAC 1 would be the Contractor "mailing address", TAC 2 would be the "ship-to address" and the TAC 3 "bill-to address;" there must be two distant addresses: for CFM transactions, the

TAC 3 must be the contractor bill-to address, and GFM transactions would require a government bill-to address.

DLMSO recommends providing a TAC 3 address for the contractor DODAAC to be the contractor bill-to address (their bill payment office). By doing this you have taken care of the CFM requirements. If you have a GFM transaction then you would use correct Signal Code and supplemental address for the government bill-to office. Keep in mind, CFM the requisition must identify the correct Signal Code and the Fund Code XP (meaning this is outside the MILSBILLS Interfund process) and the TAC 3 address must be something other than a government entity for bill processing.

DLMSO continues to highly recommend that the Army TACOM organization coordinate their requirements with the Logistics Support Activity (LOGSA) that has the authority and responsibility of the assignment of all Army DODAACs. LOGSA can provide guidance with the assignment of the required DODAACs for CFM and GFM.

3. COR/KO should notify EMALL of DODAAC and material requirements. Otherwise, CFM from DLA may be erroneously routed to Army MCA for validation. (Affects Acquisition, "requirers" and MCA group)

DLMSO Response: Concur. This was the intent, but perhaps not spelled out specifically. The following sentence will be added to C11.9., Preparation of DOD EMALL Requisitions By Contractors, which addresses EMALL account establishment: *“The applicable contracting officer must also provide a list of approved NSN/part numbers associated with each account/contractor DoDAAC for Army authorized CFM.”*

4. New clauses are to be used for PBL contracts. (Affects Acquisition and PBL office)

DLMSO Response: Concur. This is outside the scope of this change.

5. This change seems to create a means whereby CFM DODAACs, with a "bill-to" TAC 3 of the contractor, will be established when CFM will be obtained from DLA. That will allow billing to be more automated, and will enable the distinction between CFM DODAACs and GFM DODAACs. That adds additional steps/responsibilities (and an estimated 72 hours) in enabling contractor requisitioning .

DLMSO Response: Nonconcur. The statement about intent is true, but we do not understand why the estimated 72 hour delay is associated with this change.

DLA Comments:

1. Page 1: Close the parentheses on sentence 1.a. **DLMSO Response:** Done.

Last sentence at bottom carried over to the top of second page, does not read well. Recommend delete. **DLMSO Response:** The following sentence was deleted: “This new process will not impact MCA logic at the any of the Components.”

2. Page 2: Delete the word ‘and’ in paragraph 5.a. **DLMSO Response:** Done.

Add...”& standard MILSTRIP requisitioning” to 5.b. Rationale: We need to let reader know the CFM DODAAC process allows for standard requisition entry in addition to EMALL transactions.

DLMSO Response: Done.

3. Page 3: Close parentheses on 7. **DLMSO Response:** Done.

4. Chapter 11 C11.8.1. Insert“Army” in front of GFM MCA....and close the parentheses on that line. **DLMSO Response:** Parentheses removed. The sentence reads correctly as this is referring to Army; added “MILSTRIP” for clarification: “Requisitions for materiel from Government supply sources for shipment to contractors which identify the contractor as the bill-to activity are not subject to **MILSTRIP** GFM MCA controls with the exception of Army contractor requisitions to which MCA controls are applicable.”

C11.8.1. Insert“ Army CFM DODAAC requisitions”.... **DLMSO Response:** This paragraph was updated as a result of Army comments and the recommended change is no longer needed.

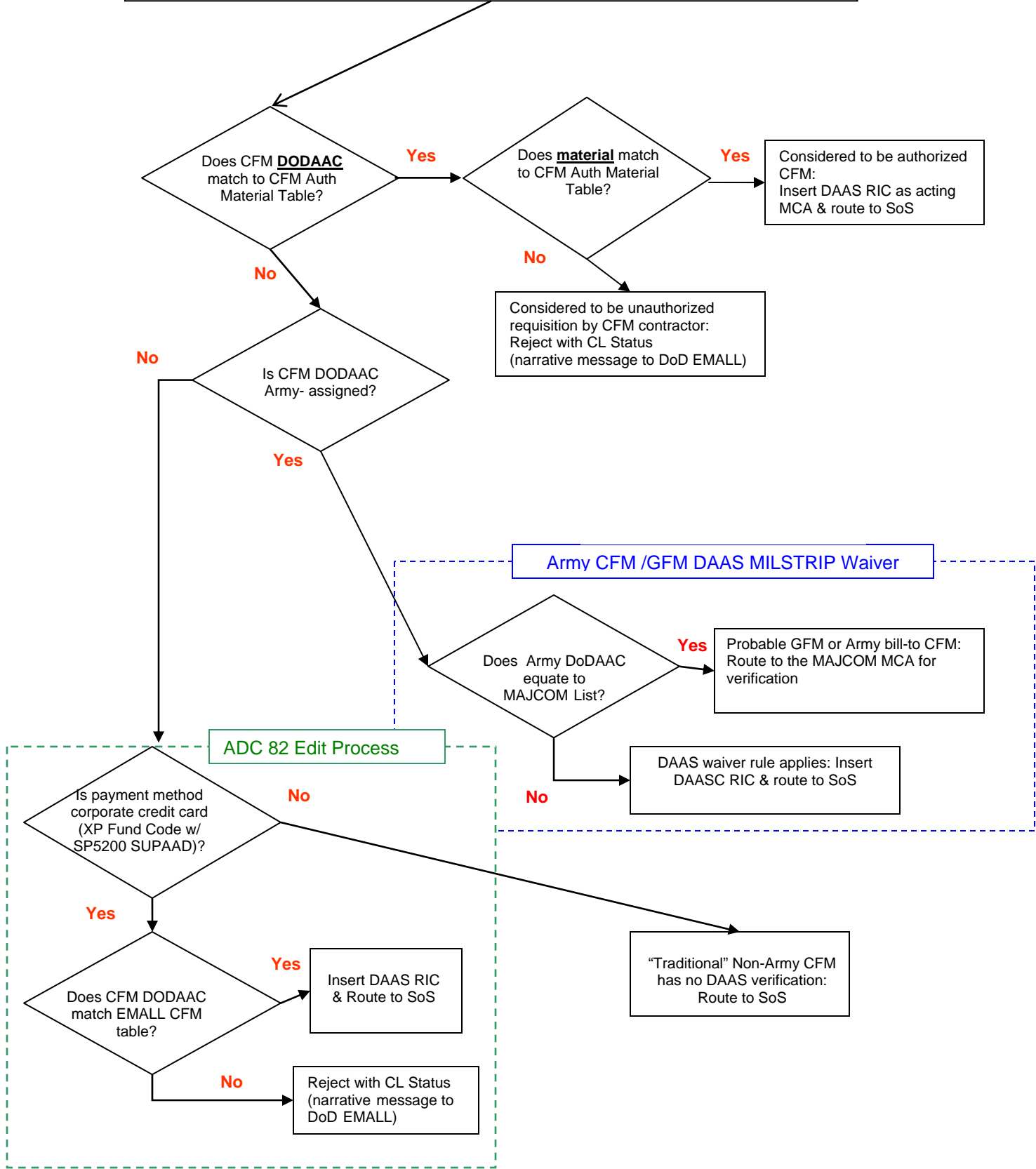
5. This proposal has changed quite drastically since reading the first draft last year as far as the validation of Army CFM requisitions by DAASC and EMALL. The initial rules did not include CFM DODAACs/authorized NSNs or DOD-managed part numbers to reside in a CFM Authorized Material Table at DAASC for validation nor in a rules engine in DOD EMALL. These are more stringent controls which comply with U.S. Congress and GAO’s mandate to control contractor access to DOD’s supply system. Although the Air Force and Navy’s CFM requisitions are processed differently, it is stated that these controls may be expanded on a DOD basis. **DLMSO Response:** Agree.

6. The process appears to be okay as long as the Army contracting officer insures that the contractor is authorized access to government supply sources and has provided a file with applicable authorized DODAACs/NSNs/Part numbers to the DOD EMALL program office. It appears this information contained in the rules engine in EMALL will be compared against the information contained in the contractor's profile. If the NSNs requested by the contractor are not identified in the shopping cart, the contracting officer's information will be provided for the contractor to request these NSNs to be loaded in the file if they are in accordance with the contract. Also, if everything is a match and the requisition is forwarded to DAASC, DAASC will act as the Army's CFM MCA and will validate these requisitions against the CFM Authorized Material Table. CFM contractor requisitions whose DODAACs match the CFM Authorized Material Table by DODAAC, but do not match by NSN or P/N will be rejected with status code CL. There needs to be close coordination between the Army's contracting officer and DOD EMALL's POC to make sure the rules engine and DAASC's edit table contains the applicable information and updated when information is modified. **DLMSO Response:** Agree.

7. Under C11.9, it is stated authorized contractors may establish DOD EMALL accounts. Prior to establishing the account, the applicable contracting officer must insure that the contractor is authorized access to government supply sources. I'm assuming when the contracting officer forwards the applicable information to the DOD EMALL program office, these DODAACs are requested to be loaded in DAASC's DOD EMALL CFM edit table if the contractor will be ordering by a corporate credit card. I'd like to know that for sure. I know from phone conversations that there are quite a few contractors who are ordering material using DODAACs that have expired and were assigned to previous contracts that have been completed. I was just wondering if this needs to be incorporated in the change as to whose responsibility it is to request these DODAACs to be loaded in this table (for all services) or maybe it's in an EMALL publication. **Response from DOD EMALL:** At present, all contractor registrants must provide the DOD EMALL program office with a procurement list of NSNs approved by their contracting officers. Irrespective of payment intent (MILSTRIP or corporate credit card), the DOD EMALL PO will forward the

list to DAASC along with the respective DODAAC and contract number to be included in DAASC's CFM edit table. Also, services other than Army seem less concerned about a contractor-specific DODAAC and have apparently allowed the use of expired service-specific DODAACs or "piggyback" on the active local service DODAAC. DOD EMALL shopper contractor registrants requiring access only for forecasting purposes (DLA Orders), for lack of a clear policy, are instructed to use the DODAAC associated with the unit they support. As WebREQ is integrated into DOD EMALL, those contractors requiring DOD EMALL access exclusively for map ordering will face a similar conundrum. **Response from DLA J-442:** DODAAC should not be 'good' once a contract time period has expired. There can only be one location per CFM DODAAC. Station, Ship To and Bill To addresses must match-up with the DODAAC under the Army CFM DODAAC guidelines. This is a criteria that Army specified many months ago. Experience has shown us that it's imperative that 1 DODAAC per location is critical within the process of our distribution systems. The following rules are repeated in the MILSTRIP Chapter establishing rules for providing contractor DoDAACs to DAASC for CFM edit: *NSNs listed in the table may be modified over the course of this agreement when appropriate Army contracting officer provides such authority. Updates to the authorized list will be collected, consolidated into one excel file by the designated DLA Lead Center POC with proof of Army CO concurrence and provided to HQs DLA Army PBL action officer. HQs DLA will coordinate updates to individual contractor lists with DLA DOD E-Mall and DAASC on a monthly basis. To optimize program changes, all additions to Army partnership lists will be made during an agreed to monthly time-frame amongst DLA and support entities.*

Enclosure 2 DAAS CFM Bill-To Decision Matrix and Flow Chart



C11. CHAPTER 11

CONTRACTOR ACCESS TO GOVERNMENT SUPPLY SOURCES

C11.1. GENERAL

C11.1.1. This chapter prescribes policies and procedures for requisitioning GFM/CFM by or for contractors from the DoD Supply System. These procedures establish guidelines to requisitioners and authorized contractors and S/As to obtain GFM from DoD inventories to fulfill contract requirements.¹ These procedures also support the use of MILSTRIP requisitioning by authorized contractors to obtain materiel from Government supply sources to be used as CFM under controls established by the authorizing Component *and as specified in this chapter*.

C11.1.2. The S/As will assign a unique RI and distribution code to each MCA validating GFM requisitions.

C11.1.3. Any attempt to circumvent GFM/CFM validation requirements is sufficient cause to refer violation to the appropriate criminal investigating activity to determine possible fraud, waste, and abuse. The sponsoring Service will make violation referrals to criminal investigating activities or monitoring MCA based upon reports of rejected transactions or violations discovered during the post validation process.

C11.2. APPLICABILITY

C11.2.1. These procedures apply to all contractors and all S/A activities requisitioning GFM or CFM from DoD supply sources(s). The production of ammunition is excluded from GFM control.

C11.3. PREPARATION OF REQUISITIONS AND RELATED TRANSACTIONS FOR GOVERNMENT MATERIEL FURNISHED TO CONTRACTORS

C11.3.1. Requisitions for GFM may be initiated by the responsible S/A or, subject to the terms of the contract, by contractors. Requisitions for GFM will be prepared and initially submitted by GFM requisitioners, both contractors and S/As, using current MILSTRIP media transmission techniques to the S/A MCA designated for monitoring the contract. Transmission through DAAS will be utilized to the extent practical.

¹ Procedures to control access to DoD material inventories by defense contractors last reported as not implemented by USA (Retail). Refer to AMCL 1A.

C11.3.2. Requisitions and associated transactions containing an S/A code designated for contractors, as specified in AP2.2 (rp 30-35 or rp 45-50 if ship-to address), will be processed under GFM controls and restrictions except when the signal and fund codes indicate the issue will be for CFM with contractor reimbursement by other than an Army contractor. All Army contractor requisitions and associated transactions must be processed under GFM/**CFM** controls.

C11.3.3. In addition to normal requisition data, GFM requisitions will contain the following:

C11.3.3.1. DIs A01, A02, A04, A05, A0A, A0B, A0D, A0E, A3_, and A4_ will be in rp 1-3.

C11.3.3.2. RI in rp 4-6 identifying the appropriate S/A MCA monitoring the contract.

C11.3.3.3. Contractor generated requisitions will contain the appropriate contractor DoDAAC in rp 30-35.

C11.3.3.4. S/A generated requisitions for GFM will contain the appropriate contractor DoDAAC in rp 45-50.

C11.3.3.5. When applicable, a signal code in rp 51 to indicate issue without reimbursement.

C11.3.3.6. When applicable, a fund code in rp 52-53 to indicate issue without reimbursement.

C11.3.3.7. At the option of the S/A, a three-character MDN in rp 54-56 may be used in lieu of the PIIN in rp 73-80.

C11.3.3.8. When applicable, the call order number in rp 69-72.

C11.3.3.9. At the option of the S/A, the last eight positions of the PIIN in rp 73-80 in lieu of the MDN in rp 54-56. This entry is mandatory if the MDN is not entered in rp 54-56.

C11.3.3.10. GFM non-NSN requisitions will be identified with an E in rp 68; the call order number, if appropriate, in rp 69-72; and at the option of the S/A, the last eight positions of the PIIN in rp 73-80 in lieu of the MDN in rp 54-56 (this entry is mandatory if the MDN is not entered in rp 54-56).

C11.4. SUBMISSION OF GOVERNMENT-FURNISHED MATERIEL REQUISITIONS AND RELATED TRANSACTIONS

C11.4.1. Frequency of submitting GFM requisitions is the prerogative of the requisitioner. GFM requisitions will be submitted, when necessary, to meet contract requirements.

C11.4.2. GFM requisitions (DI A0_) and associated GFM transactions will be initially submitted to an MCA.

C11.4.3. It is mandatory that GFM requisitions be forwarded regardless of origin, such as contractor or S/A initiated, to the appropriate S/A MCA for validation. After validation by the S/A MCA, the MCA will forward validated requisitions to the ICP. Where the MCA and ICP are collocated, internal passing of transactions is authorized. When the MCA and ICP are not collocated, the transmission should be via DAAS, where practical.

C11.4.4. Modifier transactions are authorized for GFM requisitions only to modify the project code, PD, advice code, and the RDD. Modifiers may not be used to change the SUPADD to a contractor's SUPADD. Modifiers are subject to GFM controls and validation procedures.

C11.5. MANAGEMENT CONTROL ACTIVITY PROCESSING OF GOVERNMENT-FURNISHED MATERIEL REQUISITIONS AND RELATED TRANSACTIONS

C11.5.1. The MCA will receive GFM requisitions (DIs A01, A02, A04, A05, A0A, A0B, A0D, and A0E), passing orders (DI A3_), referral orders (DI A4_), follow-ups (DI AT_), and modifiers (DI AM_ only for RDDs, project codes, PDS, and advice codes). The MCA may receive supply status (DI AE_), shipment status (DI AS_), and MOV transactions (DIs AN_ and AP_). Follow-ups (DIs AF_ and AK_), and cancellations (DI AC_). All other DIs received by the MCA will be rejected with Status Code CR.

C11.5.2. Based upon criteria furnished by procurement/contracting offices, the MCA will validate the data elements and codes in GFM transactions other than DI Codes AE_, AS_, AF_, AK_, AC_, AN_, and AP_, as indicated in Figure C11-1. The MCA will make changes, reject, or continue processing action on the GFM transactions.

C11.5.3. The MCA will maintain requisition history files to serve as an auditable record of GFM transactions. In addition, the MCA will generate reports as required by DoD 4140.1-R (DoD Supply Chain Materiel Management Regulation).

C11.5.4. Under emergency conditions, such as a potential contract work stoppage, the MCA may receive telephonic requisitions, PDs 01-08, for GFM. When this occurs, the MCA may telephone the requisitions to the appropriate supply source and validate the requirements afterward. If the post validation process reveals the requisitioner is not authorized GFM, the following actions will be taken:

C11.5.4.1. Submit cancellation requests to the appropriate supply source.

C11.5.4.2. Advise the appropriate criminal-investigating agency for determination of fraud waste, and abuse.

C11.5.5. Upon completion of the validation process, the MCA will make the following changes and forward the requisitions, or internal requisition transactions (optional only when the MCA and supply source are collocated in the same distribution system), cancellations, follow-ups, modifiers, passing orders, or referral orders to the applicable supply source through DAAS, if practical:

C11.5.5.1. Insert the routing identifier of the supply source in rp 4-6.

C11.5.5.2. Insert the distribution code of the MCA validating the transaction in rp 54 or the MDN consisting of the MCAs distribution code in rp 54 and two other alpha/numeric characters in rp 55-56.

C11.5.5.3. Delete the data in rp 69-80.

C11.5.5.4. If required by the S/A, insert the RI of the validating MCA in rp 74-76 of the requisition. The MCA RI will be in rp 74-76 of the passing order or referral order.

C11.5.6. MCAs in receipt of DI AX1 transactions (AP3.52) will validate the data contained therein. This validation process must be completed and a DI AX2 transaction created and forwarded to the applicable supply source within 15 days of receipt of the DI AX1 transaction. The format for the DI AX2 transaction is contained in AP3.53. The DI AX1 will be validated as follows:

C11.5.6.1. If the requisition has been previously validated, the DI AX2 transaction will contain Advice Code 2M.

C11.5.6.2. If the requisition has not been previously validated and the call order number/PIIN (or MDN) is not present, the DI AX2 transaction will contain Advice Code 2U.

C11.5.6.3. If the requisition has not been previously validated and the call order number/PIIN (or MDN) is present, validate the data elements as indicated in Figure C11-1, and generate the DI AX2 transaction as follows:

C11.5.6.3.1. If the validation process reveals that the contract is not valid, the DI AX2 will contain Advice Code 2U.

C11.5.6.3.2. If the validation process reveals that the requested quantity exceeds the contract authorized quantity, the DI AX2 will contain Advice Code 2R and the quantity that can be supplied will entered in rp 25-29.

C11.5.6.3.3. If the validation process reveals that the requested quantity exceeds the contract authorized quantity, DI AX2 will contain Advice Code 2Q.

C11.5.6.3.4. If the validation process reveals that the requested item, or requisitioner, or DoDAAC in rp 45-50, is not authorized GFM under a valid contract, the DI AX2 will contain Advice Code 2V.

C11.5.6.3.5. C11.5.6.3.5. If the validation process reveals that the requested item is authorized, the DI AX2 will contain Advice Code 2M.

C11.5.7. MCAs in receipt of DI AE_ transactions with Status Code BF will review for establishment of a valid requisition. If a valid requisition exists, a DI AT_ transaction will be generated. If a valid requisition does not exist, a report will be generated for internal review. Subsequent receipt of a valid requisition will be processed under the procedures/validation process indicated in Figure C11-1.

C11.6. SUPPLY SOURCE PROCESSING OF GOVERNMENT-FURNISHED MATERIEL REQUISITIONS AND RELATED TRANSACTIONS

C11.6.1. Supply sources receiving GFM requisitions, modifiers, passing orders, referral orders, follow-ups, and cancellations, irrespective of method of transmission, will process such transactions under GFM procedures. Supply sources in receipt of GFM requisitions for items not managed by their activity will reject the requisitions with Status Code CH. Supply sources will edit transactions for the prescribed data elements and codes in GFM transactions and correct, continue processing actions, or reject, as appropriate. See AP2.16, this manual, for applicable status codes.

C11.6.2. Supply sources will validate all GFM transactions. Subsequent to performing the edits in chapter 3, supply sources in receipt of requisitions, passing orders, referral orders, modifiers, or follow-ups being treated as requisitions, containing a contractor's service code under AP2.2, in rp 30-35 or in rp 45-50, if ship-to address, will perform the supply source/MCA validation process except when the signal and fund codes indicate the issue will be with contractor reimbursement by other than an Army contractor. All Army contractor requisitions and associated transactions will be processed under GFM/**CFM** controls. (Note: The supply source/MCA validation process is not required when an internal requisition transaction is received from a collocated MCA in the same distribution system. However, supply sources are required to have safeguards in place to ensure that only internal transactions generated by the collocated MCA are accepted/processed.

C11.6.3. Under emergency conditions, supply sources may receive telephonic requisitions (PD 01-08) from the MCA or requisitioner. These requisitions may be processed for immediate supply action. Subsequent to taking immediate supply action; the GFM validation process will be accomplished. If the DI AX2 transaction is not received within 15 days of the DI AX1 transaction or the advice code received indicated that the transaction is not authorized, the incident will be referred to the appropriate criminal-investigating agency.

C11.6.4. The supply source/MCA validation process is as follows:

C11.6.4.1. For each GFM requisition or transaction that is treated as a requisition, the supply source will employ one of the following options:

C11.6.4.1.1. Create and forward a DI AX1 transaction to the MCA identified in rp 74-76 or rp 54 of the requisitioner's transaction. The format for the DI AX1 transaction is in AP3.52. If rp 74-76 and rp 54 of the requisitioner's transaction are blank or invalid, the transaction will be rejected with Status Code CL.

C11.6.4.1.2. Create and forward a DI AX1 transaction to DAAS regardless of the coding contained in rp 74-76 or rp 54 of the requisitioner's transaction. The format for DI AX1 transaction is in AP3.52. Edits regarding validity of the data in rp 74-76 or rp 54 will be performed by DAAS under paragraph C11.7.2, below.

C11.6.4.1.3. Utilize a combination of the above options: one for intra-Service transactions and one for inter-Service transactions.

C11.6.4.2. Further supply support action on the requisitioner's transaction will be suspended pending receipt of the DI AX2 or until 15 days have elapsed from the date of the DI AX1 transaction whichever occurs first.

C11.6.4.3. If the DI AX2 transaction is not received and 15 days have elapsed, the requisitioner's transaction will be rejected with Status Code DR.

C11.6.4.4. Upon receipt of the DI AX2 transaction, the supply source will process the suspended transaction using instructions provided by the advice/status code in rp 65-66.

C11.6.4.4.1. If the advice code is 2U, the suspended transaction will be rejected with Status Code DB.

C11.6.4.4.2. If the advice code is 2R, the suspended transaction will be processed for the quantity indicated in rp 25-29 of the DI AX2 transaction. The quantity difference between the suspended transaction and the DI AX2 transaction will be rejected with Status Code DJ.

C11.6.4.4.3. If the advice code is 2Q, the suspended transaction will be rejected with Status Code DQ.

C11.6.4.4.4. If the status code is CL, the suspended transaction will be rejected with Status Code CL.

C11.6.4.4.5. If the advice code is 2V, the suspended transaction will be rejected with Status Code DN.

C11.6.4.4.6. If the advice code is 2M, the suspended transaction will be processed under applicable supply source procedures.

C11.6.4.4.7. If the advice/status code is blank or invalid, the suspended transaction will be rejected with Status Code DR.

C11.6.4.5. If a DI AX2 transaction is received, and there is a record of the requisition but a DI AX1 transaction has not been submitted, the DI AX2 transaction will be discarded and a DI AX1 transaction will be generated.

C11.6.4.6. If a DI AX2 transaction is received, and there is no record of the requisition, a DI AE_ transaction, with Status Code BF, will be generated.

C11.6.5. Follow-ups will be processed to determine the current status of requisitions or cancellation requests previously submitted. Time standards for dispatching status in reply to follow-ups are as indicated in chapter 3, paragraph C3.21., this manual.

C11.6.6. Supply sources in receipt of DI AT_ transactions, containing a service code designated for contractors, as specified in AP2.2, in rp 30-35 or 45-50, if ship-to address, and having no record of the original requisition, will create and forward a DI AX1 transaction except when the signal and fund codes indicate the issue will be with contractor reimbursement by other than an army contractor. All Army contractor requisitions and associated transactions will be

processed under GFM controls. The processing of the DI AX1 transaction and the responding DI AX2 transactions will be accomplished under procedures contained in this chapter.

C11.7. DEFENSE AUTOMATIC ADDRESSING SYSTEM PROCESSING OF GOVERNMENT-FURNISHED MATERIEL TRANSACTIONS

C11.7.1. DAAS will pass all GFM requisitions and related transactions to the RI code in rp 4-6 if the RI code identifies an established MCA. If the RI code is not an established MCA, and the distribution code identifies an established MCA or the RI code in rp 74-76 identifies a valid MCA, DAAS will route the transaction. If the RI code is not an established MCA, and the distribution code does not identify an established MCA or the RI code in rp 74-76 does not identify a valid MCA, the transaction will be rejected with Status Code CL.

C11.7.2. DAAS will pass all DI AX1 transactions to the activity identified with a valid MCA RI code in rp 74-76, or MCA distribution code in rp 54. If the DI AX1 transaction has an invalid MCA RI and an invalid MCA distribution code, a DI AX2 with Status Code CL will be generated and forwarded to the supply source.

C11.7.3. DAAS will pass all DI AX2 transactions to the supply source identified by the RI in rp 4-6.

C11.8. CONTRACTOR REQUISITIONS FOR CONTRACTOR-FURNISHED MATERIEL

C11.8.1. Requisitions for materiel from Government supply sources for shipment to contractors which identify the contractor as the bill-to activity are not subject to MILSTRIP GFM MCA controls with the exception of Army contractor requisitions to which MCA controls are applicable. **DAAS will perform the validation of transactions for Army contractor requisitions of CFM for those items which contractors are authorized to requisition as CFM as specified in this chapter and for non-wholesale level supply as designed by the contractor-series DoDAAC under Appendix 4.2.** DOD Components will establish appropriate procedures for oversight of CFM requisitions in accordance with the Federal Acquisition Regulation.

C11.8.2. Defense Automatic Addressing System Processing Of Contractor-Furnished Materiel Transactions. The process described in this paragraph provides mandatory CFM controls for CFM requisitions where the bill-to activity, as identified in the requisition, is an Army contractor and the source of supply is DLA. This process is optional for other Services and may be expanded to include other sources of supply, if needed. DAAS will maintain a list of Service/Agency authorized contractor DoDAACs and the associated NSNs/DOD-managed part numbers for which these contractors may submit CFM requisitions on a CFM Authorized Material Table for use in validating requisitions regardless of method of payment. CFM contractors which match the CFM Authorized Material Table by DoDAAC, but do not match by NSN or part number will be rejected with Status Code CL; requisitions which match on DoDAAC and NSN/part number will be processed as valid. DAAS will enter the DAAS RI SGA or SHA into rp 74-76 as the validating MCA. DAAS will perform AX1/AX2 validation requirement for authorized CFM requisitions which match to the CFM Authorized Material Table. DAAS will furnish CFM reports upon request for use by the contracting officer in verifying that quantities ordered are within the contract allowance. Army contractor requisitions which do not match the

CFM Authorized Material Table will be processed by DAAS under the MCA waiver exception process or passed to the applicable MCA as described in Appendix 4.2. CFM requisitions for other Service contractors will be passed to the supply source. NSNs listed in the table may be modified over the course of this agreement when appropriate Army contracting officer provides such authority. Updates to the authorized list will be collected, consolidated into one excel file by the designated DLA Lead Center POC with proof of Army Contracting Officer (CO) concurrence and provided to HQs DLA Army PBL action officer. HQs DLA will coordinate updates to individual contractor lists with DLA DOD E-Mall and DAASC on a monthly basis. To optimize program changes, all additions to Army partnership lists will be made during an agreed to monthly time-frame amongst DLA and support entities.

C11.9. PREPARATION OF DOD EMALL REQUISITIONS BY CONTRACTORS. Authorized contractors may establish DOD EMALL accounts to facilitate submission of requisitions for materiel. To register, go to www.emall.dla.mil and click on New User Registration. Prior to establishing the account, the applicable contracting officer must insure that the contractor is authorized access to Government supply sources and must agree to review monthly or quarterly reports prepared by the DOD EMALL monitoring contractor activity. **The applicable contracting officer must also provide a list of approved NSN/part numbers associated with each account/contractor DoDAAC for Army authorized CFM. Army contractors will be processed under GFM/CFM controls as described.**

C11.9.1. **DoD EMALL will validate that contractors are authorized to purchase material from DoD supply sources as a prerequisite for submission of EMALL orders.** DOD EMALL requisitions for GFM will be **subjected to** prescribed rules for MCA controls **within DoD EMALL or within the DAAS.** DoD EMALL CFM requisitions indicating method of payment by corporate credit card are subject to special processing controls as described below. Additionally, CFM requisitions for Army authorized contractors will **be validated to ensure that requisitioned NSNs or DoD managed part numbers are authorized regardless of the method of payment under CFM controls described above .**

C11.9.1.1. The DOD EMALL *program office* will identify to DAASC all contractors authorized access to Government materiel for purchase as CFM using a corporate credit card as the method of payment. DAAS will maintain these DODAACs as an authorized contractor edit table (referenced hereafter as the DOD EMALL CFM Table) to be employed during initial processing and for DI AX1 processing.

C11.9.1.2. **Corporate Credit Card CFM Purchases and DAAS Processing.** DOD EMALL requisitions for shipment to contractors using payment by corporate credit card are assigned Signal Code B, Fund Code XP, and the supplemental address of the DOD EMALL DODAAC (SP5200). This configuration identifies a Government DODAAC as the bill-to activity, therefore **triggering** DAAS and the DOD-Component supply source processing systems **to misinterpret** such transactions as GFM requisitions. The DAAS will validate these transactions against both existing GFM edits and the DOD EMALL CFM Table to determine appropriate action. If the contractor requisition does not contain a valid MCA identification code and the DODAAC is not listed in the DOD EMALL CFM Table, DAAS will reject with Status Code CL. If an MCA is identified by either a distribution code in rp 54 or an RI in rp 74-76, DAAS will forward the requisition to the supply source. Supply source will submit a DI AX1 to DAAS for validation

following GFM MCA procedures (including Army CFM). DAAS will recognize the EMALL supplemental address and again employ existing GFM edits and the DOD EMALL CFM Table to take appropriate action. If the **validation using the** DOD EMALL CFM Table, identifies the contractor DODAAC as authorized by the contracting officer for ordering CFM using corporate credit cards, then DAASC will validate the requisition and respond to the supply source with a DI AX2 using Advice Code 2M indicating the requisition is valid. The supply source will continue processing. If the contractor DODAAC is not contained on the DOD EMALL CFM Table, but the requisition contains a valid MCA code, then DAASC will forward the DI AX1 to the MCA for validation. If the contractor DODAAC is not contained on the DOD EMALL CFM Table or does not match the CFM Authorized Material Table, when applicable, and the requisition does not contain a valid MCA code, then DAAS will provide a DI AX2 with Status Code CL indicating the transaction is invalid. The supply source will reject the requisition.

C11.9.1.2 DOD EMALL Reports: In order to support DoD requirements for oversight of material sold to contractors, the DoD EMALL program office will provide reports to monitor contractor activity. For contracts having a maximum total dollars ceiling, a DoD EMALL report will be provided to the contracting officer when the accumulative value of CFM ordered reaches 80% of the ceiling.

<u>CODE OR DATA ELEMENT</u>	<u>VALIDATION OF ENTRY</u>
Document Identifier	If DI is A01, A02, A04, A05, A0A, A0B, A0D, A0E, AT_, A3_, A4_, or AM_ (for RDD, project code PD, or advice code), continue the GFM validation.
Stock Number	Verify item requisitioned against a valid contract to determine authority for issue to the contractor. If blank, incorrect, or not authorized, reject with Status Code DN.
Unit of Issue	Validate the unit of issue in conjunction with the quantity to ensure that the quantity requisitioned does not exceed the authorized quantity. If quantity is excessive, see validation of quantity field. (Note: If a change of unit pack has occurred, appropriate adjustment should be made for quantity authorized.)
Quantity	If item ordered is authorized by contract, verify the quantity. If blank or invalid, reject with Status Code CD. If the requisitioned quantity exceeds the remaining quantity authorized, reject the quantity which exceeds the authorized quantity with Status Code DJ. If authorized quantity has been exhausted by previous requisition(s), reject total quantity requisitioned with Status Code DQ.
Requisitioner	If blank or incorrect, discard. If not authorized, reject with Status Code DN.
Document Number	If blank or incorrect, reject with Status Code CD.
Supplementary Address	If contractor DoDAAC, and affected by signal code, and incorrect or not authorized, reject with Status Code DN.
Signal and Fund	If signal and fund codes indicate issues without contractor reimbursement, process as GFM; otherwise, consider as CFM. CFM requisitions, except for Army, are not subject to MCA review. All Army contractor requisitions and associated transactions will be processed under GFM controls. <i>DAAS will respond to requests for MCA review for Army CFM under special processing rules authorized by the Army.</i>
Manufacturer's Directive Number	The MDN may be used in rp 54-56 in lieu of the PIIN in rp 73-80. If the MDN option is used and the MDN equates to a valid contract number, validate; otherwise, reject with Status Code DB.
Contract Call Order Number	If specified by S/A contract, and entry is blank or incorrect, reject with Status Code DB.
Last eight positions of the Procurement Instrument Identification Number	If blank, or contract is not on MCA file, or contract has expired, reject with Status Code DB. (If not using the MDN option, rp 54-56, then the last eight positions of the PIIN is mandatory.)

Figure C11.F1. Management Control Activity Validation Process of Government-Furnished Materiel Transactions

Enclosure 4: Current MILSTRIP MCA Waiver Process

AP4.2. APPENDIX 4.2

ARMY AUTHORIZED EXCEPTIONS, SPECIAL PROCESSES, AND DELAYED IMPLEMENTATION DATES

AP4.2.1. AMCL 1A, Control of access to DoD Materiel Inventories Required by Defense Contractors. The Defense Automatic Addressing System (DAAS) will assist the Army in its implementation of AMCL 1A by performing the following actions:

AP4.2.1.1. The DI AX1/AX2 validation requirement for the Army wholesale MCAs until their implementation of AMCL 1A.

AP4.2.1.2. Recording all transactions into a history file for eventual processing to the appropriate MCA upon Army implementation.

AP4.2.1.3. Process all DI A0_ Army contractor identified requisitions with the below listed first two positions of the DoDAAC ~~(three positions for USACEA)~~ to the applicable AMC MCA. Contractor requisitions with other than the DoDAAC entries indicated below are considered Army retail and will be routed to the proper source of supply with the DAAS RI "SGA" or "SHA" entered into rp 74-76.

AP4.2.1.3.1. If rp 30-31 or rp 45-46 is CB, pass to RI A81 (TACOM MCA)

AP4.2.1.3.2. If rp 30-31 or rp 45-46 is CL, pass to RI A82 (AMCOM MCA).

AP4.2.1.3.3. If rp 30-31 or rp 45-46 is CG, pass to RI A83 (CECOM MCA).

AP4.2.1.3.4. If rp 30-31 or rp 45-46 is CM, pass to RI A84 (TACOM MCA)

AP4.2.1.3.5. If rp 30-31 or rp 45-46 is CK, pass to RI A85 (TACOM MCA).

AP4.2.1.3.6. If rp 30-31 or rp 45-46 is CH, pass to RI A86 (AMCOM MCA)

~~AP4.2.1.3.7. If rp 30-32 or rp 45-47 is CGA, pass to RI A87 (USACEA MCA).~~

AP4.2.1.4. For DI AM_, and DI AT_ transactions, containing a valid MCA distribution code as identified below, the DAAS RI "SGA" or "SHA" will be entered into rp 74-76 and routed to the appropriate source of supply. If a valid MCA is not in 54 and the transaction contains the entries cited above for rp 30-31/2 or rp 45-46/7, the transaction will be passed to the appropriate MCA. If none of these conditions apply, the transaction will be considered retail and be routed to the appropriate source of supply with the DAAS RI "SGA" or "SHA" entered into rp 74-76. The following are valid MCA distribution codes:

AP4.2.1.4.1. I (Indigo) - TACOM MCA

AP4.2.1.4.2. L (Lima) - AMCOM MCA

AP4.2.1.4.3. P (Papa) - CECOM MCA

AP4.2.1.4.4. S (Sierra) - TACOM MCA

AP4.2.1.4.5. Y (Yankee) - TACOM MCA

AP4.2.1.4.6. E (Echo) - AMCOM – MCA

AP4.2.1.4.7. 8 (Eight) - USACEA MCA

~~AP4.2.1.5. For DIA3 transactions, the DAAS RI “SGA” or “SHA” will be entered onto rp 74-76 and routed to the appropriate source of supply.~~

AP4.2.1.5. Upon receipt of DI AX1 transactions, a DI AX2 transaction will be generated with status code 2M and returned to the RI in rp 4-6 of the DI AX1 transaction.

AP4.2.2. DLSS/DLMS Change 6, Identification of Flight Safety Critical Aircraft Parts (FSCAP) on Shipments to Disposal. Implementation was scheduled on a staggered basis beginning in April, 1998. Army implementation is scheduled for December **2009**.

AP4.2.3. AMCL 26, Single RI on Customer Asset Reports Transmitted to GSA. Implementation date was November 1, 1993. Army implementation is scheduled for December **2009**.

AP4.2.4. AMCL 161, Unit of issue in Materiel Management. Implementation date was November 1, 1987. Army retail level implemented May 1, 1988. Army wholesale level will not implement. This change has no impact on wholesale procedures which allow the ICP to change the quantity to unit pack if the change is not more than \$5.