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DEC 1 9 2007

DLMSO

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 262,
Deleted Department of Defense Activity Address Code (DoDAAC), Cited on Open
Orders (Supply/MILSTRIP) (Staffed as PDC 277)

The attached change to DoD 4000.25-M, DLMS, and DoD 4000.25-1-M, Military Standard
Transaction and Issue Procedures (MILSTRIP), is approved for immediate implementation.
Components should report implementation status to DLMSO.

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

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:
ADUSD(L)SCI
Finance PRC

Deleted DoDAACs Cited on Open Orders

1. **ORIGINATOR:**

  a. **Service/Agency:** DLA

  b. **Originator:** J3/4; DSN 427-1562; commercial: 703-767-1562

2. **FUNCTIONAL AREA:** Primary: Supply; Secondary: Order Fulfillment

3. **REQUESTED CHANGE:**

  a. **Description of Change:** Revise MILSTRIP/DLMS procedures to include instructions on cancellation of orders, citing a ship-to or bill-to DoDAAC that has been deleted, as identified in the DoD Activity Address Directory (DoDAAD). **In response to comments on the proposal, the following clarification is provided:** The intent is for all Components to implement this procedure change while modernizing or as soon as practical, thereby canceling open orders/backorders for which there is a deleted DoDAAC identifying the bill-to or ship-to activity. This procedure complements the existing procedure to cancel backorders where the requisitioner DoDAAC has been deleted. Updates from the original staffing are highlighted.

  b. **Background:**

    (1)   Based on the definition for Status Code BQ, when an activity is deleted, all orders for that requisitioning DoDAAC are canceled using status code BQ. However, traditionally, orders from active DoDAACs that reference the deleted one (as a ship-to or bill-to party) remained active in DLA legacy supply system (SAMMS). The same is true for the DLA Enterprise Business System (EBS).

    (2)   Chapter 8 of DoD 4000.25-1-M (MILSTRIP Manual), provides for universal/mass cancellation actions. Traditionally, only orders with the deleted DoDAAC in the requisition document number (RP 30-35) were systemically cancelled using status code BQ. But, it is also possible that the deleted DoDAAC can be referenced as a ship-to or bill-to party.

    (3)   The issue arises where a DoDAAC is deleted, but still remains in force on an existing order in the DLA Supply System (and/or Service systems). Recently, for example, FA2303 was deleted. This DoDAAC was still cited as the bill-to party for several FMS orders. Yet, the requisitioner and ILCO failed to update the order data to reflect a valid, active bill to DoDAAC. DLA was left with open orders for which an invalid and obsolete DoDAAC was referenced as the Bill-To activity. In the event manual billing is required, it could never be successfully executed.

    (4)   In October 2007, DFAS Columbus reported to receiving numerous DLA bills that reject at DAAS due to invalid and/or deleted DoDAACs. At the time, the list of rejected bills was 188 pages long all requiring manual processing. While these new procedures will not entirely eliminate this situation, because the timing of the DoDAAC deletion is a factor, the revalidation of open/backordered requisitions prior to fulfilling the order is expected to significantly reduce the volume.

(5)   The prevention of future orders is already programmed in DAASC DoDAAC edits, and EBS when a DoDAAC has been deleted. However, there is a gap in handling open orders already in the system. A documented and coordinated process that cancels orders where the deleted DoDAAC is used as ship-to or bill-to is required. Status Code BQ (cancelled based on deleted DoDAAC) applies.

(6)   This gap was discussed during the Supply Process Review Committee (SPRC) Meeting 07-01, May 16-18, 2007. Service representatives expressed concern because in many cases, when a DoDAAC is cancelled, it is because the activity that needed the material has been relocated, and another activity will be deployed to that same area, and may also need the material. The proposed cancellation of requisitions which fall under this scenario, would not have a negative impact if MILSTRIP procedures to modify the requisition are followed, e.g. replace the original ship-to/bill-to DoDAAC with the appropriate active DoDAAC.

   c.   **Procedures:** Revise MILSTRIP/DLMS as shown below and establish internal processing business rules to expand current cancellation criteria to the ship-to and bill-to activity.

(1) Revise MILSTRIP Chapter 3:

C3.27.3.6. Supply sources will automatically initiate cancellation action for unfilled quantities of materiel obligations, or open requisitions upon deletion of a DoDAAC *identified as requisitioner, ship-to, or bill-to activity,* from the ~~DoD 4000.25-6-M~~ (DoDAAD~~)~~. Applicable supply and shipment status will be furnished to authorized recipients and, in the event DAAS does not have a recorded DoDAAC, the status will be disposed of.

(2) Revise DLMS Vol 2, Chapter 4:

C4.7.22.2.6. Supply sources shall automatically initiate cancellation action for unfilled quantities of material obligations or open requisitions, upon deletion of a DoDAAC *identified as requisitioner, ship-to, or bill-to activity* from the DoDAAD. Applicable supply and shipment status shall be furnished to authorized recipients and, in the event DAAS does not have a recorded DoDAAC, the status shall be disposed of.

(3) Revise MILSTRIP Appendix 2.16, Status Code, and DLMS Dictionary:

BQ	Canceled. Results from receipt of cancellation request from requisitioner, consignee, manager, or other authorized activity. Also applies to cancellations resulting from deletion of a ***DoDAAC identified as requisitioner, ship-to, or bill-to*** activity from the DoDAAD. Deobligate funds, if applicable.

4.   REASON FOR ADDITION: Edits already exist in DAASC and in the major supply systems (such as DLA EBS), which will disallow creation of an order for a sold-to, ship-to, or bill-to entity, that has a deleted DoDAAC. This logic fails to address orders already in place in the supply system. In order for an Inventory Control Point to assure proper shipping address, and enable recoupment of funds for materiel provided, this logic needs to be applied to existing, unfilled orders with invalid ship-to or bill-to DoDAACs.

5.   ADVANTAGES AND DISADVANTAGES:

    a.   **Advantages:** Active shipping DoDAACs are essential to direct materiel to the correct location. Filling orders with deleted ship-to DoDAACs will waste time and resources, and potentially compromise support for valid and active DoDAACs. In the event manual billing is required, it cannot be executed with an activity that has been deleted in the DoD Activity Address Directory (DoDAAD).

    b.   **Disadvantages:** None identified.

6.IMPACT:

    a.   **Data Content/Procedures/Publications:** MILSTRIP/DLMS and Component implementing publications.

    b.   **Automated Processes: The** specific examples identified were provided by DLA**;** however, all DoD order fulfillment applications are to be modified under this approved change.

    c.   **Implementation Strategy:** A phased and staggered implementation is authorized.