



DEFENSE LOGISTICS AGENCY
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IN REPLY DLMSO
REFER TO

September 04, 2008

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 297, Defense Automatic Addressing System Center (DAASC) Passive Radio Frequency Identification (pRFID)-Required Exclusion Table for DLMS 527D Advance Receipt Information (ARI)/Prepositioned Material Receipt (PMR) (Supply) (Staffed as PDC 321)

The attached change to DOD 4000.25-M, DLMS, and DLAI 4140.55, AR 735-11-2 SECNAVINST 4355.18A, AFJMAN 23-215, Reporting of Supply Discrepancies, is approved for implementation by **DAASC during October 2008**.

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, appearing to read "Donald C. Pipp".

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:
ODUSD(L&MR/SCI)
SDR Committees (U.S. & SA)

ADC 297

DAASC Passive RFID (pRFID)-Required Exclusion Table for DLMS 527D ARI/PMR

1. ORIGINATOR:

a. Service/Agency: Defense Logistics Management Standards Office (DLMSO) on behalf of DLA

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

2. FUNCTIONAL AREA:

a. Primary: DLMS Supply (ARI/PMR)

b. Secondary: SDR Processing

3. REFERENCES:

a. DLMSO memorandum dated September 22, 2005, subject: Approved DLMS Change (ADC) 172, New Unique Item Tracking (UIT) Designator Code, and Inclusion of UID and RFID Indicators in DLMS Supplement (DS) 527D Advance Receipt Information (ARI). This ADC established a data element in the ARI (also known as PMR) to notify the receiving activity that the contract requires use of pRFID for shipment IAW RFID policy.

b. DLMSO memorandum dated January 9, 2007, subject: ADC 217, Passive Radio Frequency Identification (pRFID) Discrepancy Codes. This ADC established new pRFID discrepancy codes and associated procedures for submission of SDRs to report pRFID discrepancies to include: missing, damaged, or unreadable pRFID tags when such tags are required by contract provisions, DoD policy, or specified by prior shipment notice/status; duplication of tag identification associated with a previously processed receipt; and tag reads which do not relate to an advance shipment notification when such advance shipment notification is required by contract provisions or DoD policy.

c. DLMSO memorandum dated July 16, 2008, subject: Approved Addendum to ADC 282A, Consolidation and Containerization Points (CCP)-Originated SDRs including Noncompliant Wood Packaging Material (WPM) Procedures with Cost Breakdown and New Procedures for Closing WPM and Passive RFID SDRs. In addition to other things, this ADC Addendum established procedures for closing SDRs for pRFID discrepancies upon action activity receipt, thereby reducing manual workload. It requires a subsequent review and replacement SDR reply for those SDRs where the vendor is found to have no culpability and the SDR is not valid.

d. DLMSO memorandum dated July 17, 2008, subject: Proposed DLMS Change (PDC) 321, Defense Automatic Addressing System Center (DAASC) Passive Radio Frequency Identification (pRFID)-Required Exclusion Table for DLMS 527D Advance Receipt Information (ARI)/Prepositioned Material Receipt (PMR) (Supply)

4. REQUESTED CHANGE: Yellow highlighting identifies corrections and additions since PDC staffing.

a. **Description of Change:** This change documents and enhances an existing value-added DAASC process to support DLA implementation of pRFID by inserting a pRFID-required indicator in DLMS 527D ARI transactions (known as PMR in MILSTRAP). This change expands the criteria used to determine when the indicator is needed. This procedure is an interim “work-around” pending DLA implementation of integrated logistics and contract administration processes so that the contractual requirement for pRFID can be programmatically identified and positioned in the DLMS 527D transactions. An implementation date for the integrated Enterprise Business System (EBS) capability is not available. The procedure approved in this change may also be adopted by the Military Services, although a projected use has not been identified at this time.

(1) In order to implement reference 3.a and 3.b, DLA originally requested and received assistance from DAASC to insert the pRFID-required indicator based upon ARI (PMRs) originating from DLA EBS to Distribution Standard System (DSS) CONUS depots with contract year greater than "06." This change provides additional criteria to better define applicability of pRFID to the ARI (PMR). The intent is for DAASC to establish a table to identify requirements/exclusions and to allow for some flexibility in the design, so that the requirements/ exclusions can be modified as pRFID policy is expanded. Proposed requirements/exclusions are as follows:

- (a) ARI must be sent by DLA.
- (b) Receiving activity must be a CONUS Distribution Depot.
- (c) ARI (PMR) contract year must be “07” or greater.
- (d) Contract number must begin with “S” - this identifies DLA contracts and excludes non-DLA contracts.
- (e) Contract number must **not** have "D" in the 9th position - these are indefinite delivery contracts which are considered unlikely to have been modified for pRFID.
- (f) Contract number must **not** have "G" in the 9th position - these are basic ordering agreement (BOA) numbers which are considered unlikely to have pRFID requirements.
- (g) ARI contract number must **not** be identified on the exclusion list (provided separately to DAASC) - these are contracts for which DLA has granted a waiver or extension for the pRFID requirement.
- (h) The ARI Federal Supply Group/Federal Supply Class (FSG/FSC) portion of the NSN must not be identified on the exclusion list with exceptions noted as follows:

[1] All FSGs 89 and 91 (except FSCs 8970 and 9150, which are not exempt)

[2] FSCs 6505, 6508, 6509, and 6550

b. Procedures:

(1) DAASC will build the pRFID-Required Exclusion Table as specified above and use to insert the pRFID indicator as transactions are processed through DAAS.

(2) The DLA designated representative will provide the initial list of excluded contracts and updates as needed. DoD policy for pRFID is expanding and other modifications to the above criteria will also be needed over time.

(3) Optionally, this process may be expanded to include criteria provided by the Military Service supply sources. If considered appropriate, this table could then be applied to Military Service MILSTRAP DI Code DU_ PMR transactions when they are converted by DAAS for transmission as DLMS 527D transactions to DSS.

c. Staffing comments:

(1) A DCMA representative questioned the subparagraphs (e) and (f) above which exclude contracts in which the 9th position of the contract number is D or G because DCMA is currently administering 108 DLA BOA orders (9th position = "G") with RFID terms, one DLA order under a Basic Agreement (9th position = "A") and 336 orders issued under Indefinite Delivery Type Contracts (IDTC) (9th position = "D"). **DLA response:** The "D" and "G" contract exclusions are due to the effective date of RFID and the decision to not require modification of existing contracts. DLA does not want to have to identify every contract issued prior to the effective date to load into the table, as this would be extremely resource-intensive. If "D"/"G" contracts are not on the RFID Exclusion Table, a significant number of invalid RFID SDRs will continue to go to the ICPs. Although DCMA states it is currently administering approximately 445 "D"/"G" contracts with RFID terms, those quantities are insignificant compared with the 1,000s of invalid RFID SDRs the ICPs have been receiving every month. DLA recommends "D" and "G" contracts remain in the DAASC RFID Exclusions Table.

(2) DAASC requested identification of a single approved point of contact for updating the RFID Exclusion Table. **DLA Response:** DLA HQ J-71.

d. Alternatives:

(1) Implement integrated DLMS process within the supply source.

(2) Do not track or enforce pRFID vendor performance.

5. REASON FOR CHANGE: The current process allows for pRFID-Required Indicators to be improperly inserted in the DLMS 527D ARI (PMR) transactions. This triggers numerous invalid Supply Discrepancy Reports (SDRs). The generation of the SDR by the receiver and the processing of the SDR by the supply source is an unnecessary drain on limited resources. The number of improperly generated SDRs is known to be very high under current criteria; DLA

estimates that 40 percent of those prepared are invalid. Refer to Enclosure 1 for pRFID counts.

6. ADVANTAGES AND DISADVANTAGES:

a. Advantages: Will significantly improve SDR processing by ensuring valid criteria are used as the basis for the SDR. By using an exclusion table, this capability is potentially expandable to other Components. This may be appropriate since most Components are not capable of transmitting DLMS PMRs, but all PMRs to DSS distribution depots are converted to DLMS at DAASC.

b. Disadvantages: Requires DAASC programming and may require manual adjustments when content requires updating.

7. IMPACT:

a. Systems: DAAS

b. Publication(s): Update DoD 4000.25-M, Vol II, Chapter 12, Due-In and Advance Receipt Information, as follows:

C12.3. PROVIDING THE STORAGE ACTIVITY WITH ADVANCED RECEIPT INFORMATION (ARI)

C12.3.1. Due-In Information Requirements. IMM shall provide maintenance and storage activities with due-in information for scheduled material receipts by providing them with ARI transactions. For dues-in from procurement instrument sources, IMM shall include applicable contract information and packaging data, ~~allowed by the convention,~~ to facilitate the receiving process and reduce need for hard copy contracts at the receiving activity. As part of the contract information, the IMM shall include indicators identifying whether the contract required UID or passive RFID.¹

C12.3.2. Storage Activity Requirements. Storage activities receiving DS 527D shall keep them in an ARI file pending receipt of the material or the receipt of updates to the ARI from the IMM. Storage activities may use the ARI contract information and packaging data to facilitate the receiving process.

C12.3.2.1. Passive RFID. ARI notice that a shipment contractually requires passive RFID will allow preplanning so that the incoming shipment may be directed for offloading at the RFID reader location and provides a basis for submission of a Supply Discrepancy Report (SDR) in accordance with SDR procedures should the vendor fail to employ the required RFID.

C12.3.2.1.1 Upon request of the IMM, the Defense Automatic Addressing System (DAAS) has been authorized to support DLMS implementation of this process by inserting the passive RFID indicator in the ARI as the transaction processes through the DAAS.

¹ DLA Distribution Standard System (DSS) will implement these new procedures IAW Approved DLMS Change (ADC) 172 in January 2007, enabling DSS to use the indicator when the IMM provides it in the 527D ARI transaction.

IMMs shall provide specific criteria for use by the DAAS to prevent improper assignment of the indicator. This DAASC procedure is an interim “work-around” pending IMM implementation of integrated logistics and contract administration processes so that the contractual requirement for pRFID can be programmatically identified and positioned in the ARI transaction.²

C12.3.2.1.2 DAASC shall maintain a table containing criteria to be used in determination of applicable ARIs. Criteria may specify excluded contract numbers, excluded commodities (by FSG or FSC), Service/Agency originating the ARI, specific characters within the contract number, location of the storage activity (e.g., CONUS).

² Refer to ADC 297, DAASC Passive Radio Frequency Identification (pRFID)-Required Exclusion Table for DLMS 527D ARI/Prepositioned Material Receipt (PMR). At the time of implementation, DLA is the only participating Component.

Enclosure 1, Passive RFID Statistics

Passive RFID SDR Count by Document Type

Type 9 = Depot+ Receipt for New Procurement from Vendor

	6	7	8	9	R	Totals
MAY	-	-	1	9,704	-	9,705
APR	-	-	-	7,179	-	7,179
MAR	-	-	2	3,692	-	3,694
FEB	-	-	-	181	-	181
JAN	-	-	-	-	-	-
Totals	-	-	3	20,756	-	20,759

Discrepancy Codes

	P314	P315	P316	P317	P318	Totals
MAY	5,064	434	143	4,017	47	9,705
APR	3,487	265	134	3,276	17	7,179
MAR	1,626	62	43	1,961	2	3,694
FEB	3	-	-	178	-	181
JAN	-	-	-	-	-	-
	10,180	761	320	9,432	66	20,759

P314 Passive RFID tag is missing

P315 Passive RFID tag is visibly damaged and unreadable

P316 Passive RFID tag is present but unreadable (not visibility damaged)

P317 Passive RFID tag read has no corresponding advance shipment notification

P318 Passive RFID tag read duplicates previously used tag identification