IN REPLY
REFER TO

DLMSO

July 14, 2009

MEMORANDUM FOR SUPPLY AND FINANCE PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 299, DLMS Lateral Redistribution Order Shipment Status (DLMS 856S/MILSTRIP AS6) and Party to Receive Credit (Supply) (Staffed as PDC 307)

The attached change to DOD 4000.25-M, DLMS, is approved for implementation. The updated DLMS Supplement will be posted to the Defense Logistics Management Standards Office (DLMSO) Web site http://www.dla.mil/j-6/dlmso/elibrary/TransFormats/formats.asp within **10** days from the above date for implementation planning.

Addressees may direct questions to the DLMSO points of contact, Ms. Ellen Hilert, Chair, Supply PRC, 703-767-0676; DSN 427-0676; or, e-mail: ellen.hilert@dla.mil.

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DONALD C. PIPP
Director
Defense Logistics Management
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Attachment

cc:
ODUSD(L&MR/SCI)

ADC 299
DLMS LRO Shipment Status
(DLMS 856S/MILSTRIP AS6) and Party to Receive Credit

1.   ORIGINATOR:

a.   **Service/Agency:** Supply Process Review Committee (Supply PRC)

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:** Supply

b.   **Secondary:** Finance

3.   REFERENCE/BACKGROUND:

a.   **References:**

(1) DoD 4000.25-1-M, Military Standard Requisitioning and Issue Procedures (MILSTRIP) Manual, October 5, 2007, Chapter 9, Materiel Returns Program (MRP) and Lateral Redistribution of Retail Assets.

(2) DoD 4000.25-7-M, Military Standard Billing System (MILSBILLS) Manual, Chapter 2, Billing Procedures, May 2007.

b.   **Background:**

(1) **DLMS Supplement/DAAS Map Disconnect.** This PDC corrects a mapping/documentation error causing the Defense Automatic Addressing System (DAAS) map/conversion and the DLMS Supplement to be out of sync. The problem is corrected by adding a code to the format, clarifying the intended use of specific data elements, removing obsolete information, and a small program adjustment at the DAAS. Although the error existed for some length of time, it was not uncovered until a missing qualifier was identified during testing of the XML version of the DLMS format for the shipment status used for lateral redistribution order (LRO) status. The proposed correction is intended to have minimal impact on implemented systems using the DLMS and relying on the DAAS map.

(2) **LRO Party to Receive Credit.** Supply Source directed lateral redistribution is used to satisfy backorders by generating LROs for retail material or to offset new procurement. The Distribution Code in the LRO indicates consumable or reparable material. The retail activity generates shipment status to the inventory control point (ICP), and identifies the Department of Defense Activity Address Code (DoDAAC) and Fund Code for reimbursement for material and for packing, crating, handling, and transportation (PCH&T) costs. The Supply Source prepares the shipment status to the requisitioner, bills the requisitioner, and provides credit for material and PCH&T to activity identified in shipment status. Reimbursement for

material is calculated at standard price for backorder release.   Reimbursement for PC&H is calculated at 3.5% for consumables and 1% for reparables (percent of materiel credit). Billing offices use Accessorial and Other Miscellaneous Billings (DI code FN_). Reimbursement for Transportation cost is calculated at 2% (cost recovery rate for second destination transportation). Billing offices use Billing for Transportation (DI code FQ_). Because the MILSTRIP AS6 could only identify one activity to receive credit, all credit for material and PCH&T are directed to a single activity. This was identified as a shortfall during the development of the LRO procedures implementing Total Asset Visibility (TAV). DLMS placeholders were created to identify additional activities to receive credit for PCH&T as distinct and separate from the activity receiving material credit. However, when procedures supporting the identification of additional parties to receive credit was coordinated for under PDC 307, the Services were unable to identify a continued interest in this process.

4.   **REQUESTED CHANGE:**

   a.   **Description of Change:**

   (1) This ADC is provided to document correction to the DLMS and DAAS conversion to properly identify the party to receive credit and the transaction originator when the shipment status is provided as LRO status. This requires an update to the DLMS Supplement 856S as indicated; perpetuation of code changes to the DLMS XML X12 EDI format, and a small adjustment to how the DAAS conversion program populates the "From" activity.

   (2) Based upon lack of interest in establishing such a requirement, the planned DLMS enhancement to separately identify different parties to receive credit for material and PCH&T are removed from DLMS. These may be reinstated at a future time.

   b.   **Procedures:** Update the 4030 856S as follows:

#	Location	DS 4030 856S, Shipment Status Revision	Reason
1.	DLMS Introductory Notes	<u>Add ADC 299:</u> - ADC 299, Clarification of DLMS Shipment Status Supporting MILSTRIP AS6 to Identify Party to Receive Credit	Identifies DLMS Changes included in the DLMS Supplement
2.	2/N101/2200	**Delete Qualifier RL and associated DLMS Notes:** **RL Reporting Location** **DLMS Note:** 1. Use for LRO shipment status to identify the organization responsible for release of the retail assets. 2. DLMS enhancement; see introductory DLMS note 2a. For conversion processing this will be understood to be the originating activity as identified by the document number DoDAAC.	This data element is obsolete and believed to be unused in Component DLMS implementations. The activity originally planned to be identified here is actually identified using Qualifier SB, Storage Activity.

#	Location	DS 4030 856S, Shipment Status Revision	Reason
3.	2/N101/2200	**Revise DLMS notes as follows:** **SB Storage Area** **DLMS Note:** 1. Use to identify the initial shipping activity. 2. For Army Total Package Fielding (TPF), use to identify the Routing Identifier of the Unit Materiel Fielding Point (UMFP) or staging site originating the UMFP shipment document. *3. Use for LRO shipment status to identify the organization responsible for release of the retail assets.* *4. For conversion processing this will be understood to be the originating activity as identified by the Supplemental Address.* *5. A DLMS enhancement allows specific separate identification of the party to receive credit and the party originating the LRO shipment status/shipping the materiel. DoDAACs associated with qualifier SB and ZB are expected to be the same at this time. However, using when using originated in DLMS, the LRO originator may be a different party and will be identified by a Routing Identifier. Refer to ADC 299.*	Clarifies usage as currently mapped to qualifier SB when converted from MILSTRIP AS6. Corrects the location of the originating activity in the MILSTRIP format to use the Supplemental Address (vice the document number DoDAAC). There is no immediate requirement for the DoDAACs associated with qualifier ZB and qualifier SB to be different. However, this is a capability required in a pure DLMS environment. Where the LRO shipment status is initiated in DLMS the type of code used for identification of the originator will transition to Routing Identifier.
4.	2/N101/2200	**Add Qualifier ZB and DLMS notes as follows:** *ZB Party to Receive Credit* *DLMS Note:* *1. Use to identify the party to receive credit for material, transportation, and PC&H.* *2. For conversion processing this will be the activity as identified by the Supplemental Address and the same activity identified to release the material.* *3. A DLMS enhancement allows specific separate identification of the party to receive credit and the party originating the LRO shipment status/shipping the materiel. Refer to ADC 299.*	Corrects the DLMS Supplement to identify the Qualifier ZB as is currently used in the DAAS map/conversion processing. There is no current requirement for the DoDAACs associated with qualifier ZB and qualifier SB to be different, although in a pure DLMS environment this is feasible. See note above.

#	Location	DS 4030 856S, Shipment Status Revision	Reason
5.	2/N101/2200	**Remove reference to DLMS enhancements for additional parties to receive credit:** ~~AEJ Party to Receive Transportation Credit~~ ~~DLMS Note:~~ ~~1. Use to identify the party to receive transportation credit when different from the party to receive credit for material.~~ ~~2. DLMS enhancement; see introductory DLMS note 2a.~~ ~~3. Qualifier "AEJ" replaces the temporary code assignment ("ZZ - Mutually Defined") used in version 4010.~~ ~~AEK Party to Receive Packing, Crating, and Handling Credit~~ ~~DLMS Note:~~ ~~1. Use to identify the party to receive packing, crating, and handling credit when different from the party to receive credit for material.~~ ~~2. DLMS enhancement; see introductory DLMS note 2a.~~ ~~3. Qualifier "AEK" replaces the temporary code assignment ("77 - Service Location") used in version 4010.~~	Lack of support for further development of this requirement. This process may be reviewed at a future time.

5.   REASON FOR CHANGE:

a. This change corrects a disconnect between DLMS documentation and DAAS conversion resulting in confusion and a negative impact on DLMS implementation.

b. DLMSO is removing the "placeholder" enhancements in an effort to remove unused data elements which are no longer considered candidates for future use. DLMSO continues do view the separately identified parties to receive credit for the costs associated with LRO under TAV as a potential enhancement available for future consideration.

6.   ADVANTAGES AND DISADVANTAGES:

a.   Advantages: Correction is required.

b.   Disadvantages: None known

7.   IMPACT: Mapping correction: Minimal impact is anticipated since most DLMS implementations use the DAAS map as a reference guide, and therefore capture the party to receive credit from the code identified here. It is believed there are no uses for the "from address" which was incorrectly documented/mapped. Navy RSupply was impacted by the lack of the correct code in the DLMS XML format and must use an alternative method for identifying

the activity -- the supplemental (address) data field is still carried for DLMS conversion and therefore the actual DoDAAC value is not lost. **Staffing Note:** There may be a minor impact to recognize the From address as a Routing Identifier under full DLMS where the from address and the party to receive credit may differ.

8. IMPLEMENTATION: This ADC is primarily administrative. DAASC mapping disconnects were corrected based upon discussion and documentation of the PDC 307. Additional adjustment will be needed to allow for use of the Routing Identifier-From in the DLMS format.

Comments Subsequent to Staffing of PDC 307

#	Submitter	Comment	DLMSO Response
1.	Navy	The Navy's position has not changed with regard to the subject PDC 307. Navy is not interested in the ability to split out grant credit to one party for material and another for the PCH&T.	
2.	Army	PDC 307 - Army concurs.	After multiple follow-ups the Army could not elaborate specifically on desire to splitting out parties to receive credit.
3.	DLA	This PDC is not feasible.	
4.	USAF	GSD division response is that we are fine with the current process. If other services feel the need for the change, we have no problems with it and will support it.	
5.	DLMSO via Supply PRC Meeting 08-2	**PDC 307, DLMS Lateral Redistribution Order Shipment Status (DLMS 856S/MILSTRIP AS6) and Party to Receive Credit.** This proposed change corrects a disconnect between DLMS documentation and DAAS to properly identify the party to receive credit and the transaction originator when the shipment status is provided as lateral redistribution order (LRO) status. This changes also requests confirmation of planned DLMS enhancement to separately identify different parties to receive credit for material and packing, crating, handling and transportation (PCH&T)**. ACTION: ALL COMPONENTS** are specifically requested to indicate if the DLMS enhancement to separately identify different parties to receive credit for material and PCH&T is desired as a future enhancement. Components must consider both customer and SoS perspective in their responses.	
6.	DAASC	I had a note from the PRC meeting to let you know if mapping for "party to receive credit" was completed per PDC 307. Yes, it is.	