



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD
FORT BELVOIR, VIRGINIA 22060-6221

IN REPLY
REFER TO

DLMSO

May 18, 2010

MEMORANDUM FOR DLA AND NAVY SUPPLY PROCESS REVIEW COMMITTEE
MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 370,
Requisitioning for Off-Station Forward Site Support and New Non-Inventory
Affecting Denial Management Code indicating Off-Station Materiel under Navy
BRAC SS&D IMSP (Staffed as PDC 388)

The updated DLMS Supplements will be posted to the Defense Logistics
Management Standards Office (DLMSO) Web site <http://www.dla.mil/j-6/dlms0/elibrary/TransFormats/formats.asp> in conjunction with other related changes
supporting the Navy BRAC implementation (including PDC 366A). It is anticipated that the
finalized DLMS Supplements will be available in June.

Addressees may direct questions to the DLMSO point of contact Ms. Ellen Hilert,
email: Ellen.Hilert@dlm.mil. Others must contact their Component designated Supply
Process Review Committee representative.

A handwritten signature in black ink, appearing to read "Donald C. Pipp", with a stylized flourish at the end.

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:

ADUSD(L&MR)SCI
Supply PRC for remaining Components
Joint Physical Inventory Working Group

Attachment to ADC 370
Requisitioning for Off-Station Forward Site Support and New Non-Inventory Affecting Denial Management Code indicating Off-Station Materiel under Navy BRAC IMSP

1. **ORIGINATOR:** Defense Logistics Agency, DLA J-331, 703-325-1924 (DSN 427)

2. **FUNCTIONAL AREA:** Primary: Supply/ Logistics.

3. **REFERENCES:**

a. Functional Requirements for DLA's implementation of Base Realignment and Closure (BRAC) Retail Supply, Storage And Distribution (SS&D)/Inventory Management and Stock Positioning (IMSP) Spiral 2.

b. AT&L Memorandum transmitted April 21, 2010, subject: Proposed Changes in support of Navy BRAC Inventory Management and Stock Positioning (IMSP) Spiral II. This memo documents ADUSD(L&RM)SCI direction provided to DLA and Navy authorizing immediate implementation of this DLMS change.

4. **REQUESTED CHANGE:** Revisions subsequent to staffing are highlighted in yellow.

a. **Description of Change:** This change provides procedures associated with storage and distribution of materiel associated with a forward (remote) maintenance site. While under DLA ownership, materiel will be physically located at the forward site, however, the accountability for the materiel will remain at the primary Distribution Depot which is co-located with the responsible Navy industrial activity (IA). DLA will not have visibility that materiel is located at the forward site and may attempt to release the materiel for another customer. This change assigns a new denial management code for use on the Materiel Release Denial (945A, Document Identifier A6_) indicating the denial is the result of materiel being physically located outside the physical confines of the storage site to which the MRO was directed.

b. **Background:**

(1) As a result of the 2005 BRAC decision, retail supply, storage and distribution functions and associated infrastructure supporting the Navy industrial/maintenance sites will transfer to DLA.

(2) NSYs have scheduled maintenance periods dictated by NAVSEA, NAVAIR, etc, requiring materiel to be on-hand in ready for issue condition for the artisan to begin and complete the maintenance on time. Conducting shipyard depot maintenance at a remote site minimizes operational downtime and lessens the impact on military Permanent Change of Station (PCS) costs. Currently all NSY sites have a process for off station support where remote terminal capability exists and point of sale will be at the off station location. Off station support provides for pre-positioning of materials at the NSY remote operating location. For example, overhauls conducted at Puget Sound NSY's San Diego facility. Materiel used at San Diego is on the records of the NSY or the Distribution Depot at Puget Sound.

(3) All ship overhauls are planned and managed as a discrete project by a designated Navy

Supervising Activity (NSA). The NSA and location of all major ship maintenance locations are dictated by the Office of Chief of Naval Operations (CNO). Each naval shipyard serves as NSA for specific ship types. Remote site work conducted by an NSY is planned and managed from the main IA facility, whether or not the actual work is conducted at the performing shipyard or its remote worksite (e.g. home port of a specific ship requiring the maintenance to be performed). Materiel ordering and control is maintained by the performing yard on their Navy Maintenance Suite (NMS – includes AIM & MRQT) and MAT, Cost and Project Sequencing and Scheduling (PSS) systems. These project and resource management systems provide overall coordination of materiel, labor, and work scheduling ensuring effective management of the effort and resources of both the performing shipyard and its remote worksites for that ship’s maintenance project.

(4) The shipyard plans the entire work package for the projects using shipyard’s NMS. The engineering section of the NSY orders material to be positioned where the work will be accomplished using the Job Order/Key Operation Number (JO/KO) work breakdown structure which links each material requirement to a specific task. Planners create a Job Material Requirements List (JML) that includes all material and support material for the associated job.

c. **Applicability:** On April 14, the members of the Fleet Readiness Center (FRC) IMSP team informed DLMSO that the off-station forward site functionality is not applicable to FRCs. Therefore this process is designed for use by the NSY, although expansion to other maintenance facilities may be authorized by agreement with DLA.

d. Detailed Procedures:

(1) NSY ordered material can be delivered to the primary or the remote work site as required to support remote maintenance operations. Some items will be delivered to the primary performing shipyard for quality assurance inspections and then forwarded (as a separate action) to the remote worksite.

(2) The requisition alert¹ and subsequent funded requisition, and/or materiel release order (MRO) will identify the ship-to as the Navy DoDAAC of the forward maintenance site at the remote Distribution Depot for items to be delivered directly to the remote worksite.

(3) Based on requisition alert, DLA will purchase and position material in support of NSY maintenance work at the forward site. Prepositioned material removes the need for the ships or aircraft to return to home industrial activity for maintenance.

(1) EBS will recognize the requirement for shipment to the forward site by the Navy IA requisitioner DoDAAC combined with a different Navy ship-to DoDAAC. This is applicable for the following IA requisitioners:

- PHNSY & IMF Pearl Harbor N32253
- PNSY Portsmouth NH N39040
- NNSY Norfolk N42158
- PSNS & IMF Puget Sound N4523A

¹ The requisition alert transaction allows Navy BRAC IMSP sites to notify DLA of their requirements in advance of the funded requisition, thereby allowing DLA to procure and position materiel appropriately to support prompt order fulfillment. Refer to Proposed DLMS Change 366A for the procedures and content of the DLMS Requisition Alert.

(4) DLA will source the Navy requirement as applicable. When a pre-positioned materiel receipt document (PMRD) (527D, DW_) is required it will cite the DLA-assigned document number and the Navy requisition alert/requisition document number. The PMR will be provided to the primary distribution depot which maintains the records for the forward site. The PMR will identify the forward site as the receiving location.

(5) If materiel is available at the primary Distribution Depot, DLA will prepare a protection/re-warehousing request² to move the materiel to the forward site. The re-warehousing request will trigger transshipment procedures. There is no PMR in this scenario.

(6) If materiel is not available at the primary Distribution Depot to support a requisition alert, but is available in another network site, EBS will prepare a materiel redistribution order (RDO) (940R, A2_). The RDO will identify the ship-to activity as the forward site so that the material may be directed to the off-station location.

(7) If materiel is to be shipped to the primary site, e.g. for inspection and testing, before being shipped to the forward site, the ship-to address on the requisition alert/requisition will be the primary IA site. Subsequent to inspection, a staging/picklist request will be provided by the Navy to trigger re-location to the forward site.³

(8) EBS will have the ability to source requisitions for other than IA customers adhering to specific criteria of the IA sites and breach any protection applied within EBS to fill hi-priority requisitions⁴. The MRO will be directed to the Distribution Depot at which the on-hand balance is reflected within EBS (this is always the primary site). When the depot attempts to process the MRO and it is determined the material is physically located at a forward site, the MRO will be denied. The Materiel Release Denial (MRD) will cite the new denial Management Code **Y**. DLA EBS will receive the MRD and recognize the new denial management code so that the requirement may be resourced elsewhere without 'blocking' inventory balances at the Distribution Depot (as would occur for other denial management codes).

(9) Update the DLMS Supplement 527D as shown in Enclosure 1.

(10) Update the DLMS Dictionary and MILSTRAP, Appendix 2.6, Management Codes, at Enclosure 2 for new management code.

<u>CODE</u>	<u>EXPLANATION</u>
Y	<i>Denied. Materiel pre-positioned at a forward site associated with the identified storage activity for industrial activity maintenance operations.</i>

² Procedures for re-warehousing from the primary IA location to the forward location will be included in PDC 384, New DLMS Supplement (DS) 940S, Materiel Protection/Re-Warehousing, Staging, and Picklist Request and New DS 943A, Materiel Protection, Re-Warehousing, Staging, and Picklist Advice, and associated Procedures.

³ Procedures for shipment from the primary IA location to the forward location based upon a staging/picklist will be included in PDC 384, New DLMS Supplement (DS) 940S, Materiel Protection/Re-Warehousing, Staging, and Picklist Request and New DS 943A, Materiel Protection, Re-Warehousing, Staging, and Picklist Advice, and associated Procedures.

(11) DLMS Change coordination response is provided at Enclosure 3.

5. Alternatives: Alternatives were explored regarding the feasibility of maintaining the accountable record for the forward site within its co-located depot (vice at the primary site), however this was not considered acceptable due to lack of visibility of the remote DSS depot by the primary site users.

6. REASON FOR CHANGE:

a. DLA requires ability to breach protected stock at the BRAC SS&D sites. Due to the forward positioning of material in support deployed maintenance units, EBS does not have immediate knowledge of the physical location of stock which has been moved forward. The storage and distribution system (DSS) will maintain the physical location at the remote site, and when an MRO for other than the BRAC SS&D customer is processed to issue this material, an MRD citing the new management code will be provided.

b. Maintaining the materiel on the accountable record of the primary IA allows the Navy to have visibility of the materiel while in storage. The Navy only has visibility of assets at their specific co-located site.

7. ADVANTAGES AND DISADVANTAGES:

a. Advantages: Enables EBS to support worldwide high priorities with protected stock, but to react appropriately without impacting inventory processes when material is physically located at a forward site. Navy will not have to change specific ship configuration management and lead yard oversight.

b. Disadvantages: None identified.

8. IMPACT:

a. Policy and Procedures:

(1) On March 11, 2010, the Assistant Deputy Under Secretary of Defense, Logistics and Materiel Readiness, Supply Chain Integration, ADUSD(L&MR)SCI, authorized DLA and Navy to proceed with development of procedures associated with the forward site. Due to policy implications of this change whereby materiel is physically located at the forward site but is retained on the accountable record of the primary distribution depot, the concept had been presented to ADUSD(L&MR)SCI for approval prior to initial staffing. ADUSD(L&MR)SCI approved this concept and found that the interpretation of physical location for accountability purposes may be extended, regardless of distance involved, since materiel at both locations is managed within the same instance of the DLA Distribution Standard System.

(2) Update to DoD 4140.1-R, DoD Supply Chain Materiel Management Regulation, which associates accountability with physical custody, is recommended.

(3) The DLMS manual procedures will be provided separately.

b. DAASC Mapping. No change.

c. DLMS Data Content. No change other than code value addition for Management Code identified above.

d. Implementation Schedule. Testing will begin June 2010. The first site goes live January 2011, the EBS functionality will be put in production December 2010.

Enclosure 1, DLMS Supplement Revisions

#	Location	DS 527D PMR Revision	Reason
1	DLMS Introductory Notes	<p><u>Added ADC 370 to DLMS Introductory note 5:</u></p> <p><i>- ADC 370, Requisitioning for Off-Station Forward Site Support and New Non-Inventory affecting Denial Management Code indicating Off-Station Materiel under Navy BRAC SS&D IMSP</i></p>	Identifies DLMS Changes included in the DLMS Supplement.
2	1/N101/70	<p><u>Add new DLMS note 2 for existing qualifier “KA” as follows:</u></p> <p>KA Item Manager DLMS Note: 1. Use to identify the Integrated Material Manager (IMM)/ Inventory Control Point (ICP) 2. <i>Also used to identify DLA as the party initiating the PMR when non-DLA managed materiel is provided to the Navy under DLA industrial activity support. Refer to ADC 370.</i></p>	Expands existing usage for Item Manager and provides clarification for unique scenario. Although DLA may be purchasing materiel from the Source of Supply and providing the PMR to the applicable storage activity, DLA is not the actual IMM/ICP. Note: This clarification is not specific to the forward site requirement.
3	2/N101/210	<p><u>Add new qualifier SB</u></p> <p>SB Storage Area DLMS Note: <i>Use to identify the storage activity (primary location) to receive the ARI/PMR when different from the receiving location. Applicable when materiel will be shipped directly to the off-station forward site under DLA industrial activity support. Refer to ADC 370.</i></p>	Supports functionality required to send the PMR transaction to an Distribution Depot holding the accountable record, since the DD or it’s co-located IA worksite is not the receiving location.

Enclosure 2, MILSTRAP Revision

AP2.6. APPENDIX 2.6 MANAGEMENT CODES

AP2.6.2. ISSUE RELATED TRANSACTIONS. Management codes are assigned for use in MILSTRAP related transactions (DI Code D7_ Issues, DG_ Backorders, and DHA Demands) and MILSTRIP transactions (DI Code A4_ Referral Orders, A5_ Materiel/Disposal Release Orders, A6_ Materiel/Disposal Release Denials, and AE6 Supply Status), and related release documentation (when applicable), as indicated below:

<u>CODE</u>	<u>APPLICABLE DI CODES</u>	<u>EXPLANATION</u>
A thru L	Appropriate DI codes	Reserved for assignment by Component managing the item; not assigned by DoD.
M	D7_ less D7J, A__ less A5J and A6_	Backorder release.
M	D7J, A5J	Materiel condemned. Quantity indicated shipped direct to the DRMO or other authorized/required disposal action has been taken. (Excludes items for which shelf-life has expired and cannot/will not be extended.)
M	All other DI codes	Reserved for future DoD assignment.
N	DHA, D7_, A4_	Nonrecurring demand.
N	All other DI codes	Reserved for future DoD assignment.
O	DHA, D7_, A4_	Nonrecurring demand for special program requirements.
O	All other DI codes	Reserved for future DoD assignment.
P	DHA, D7_, A4_	Nonrecurring demand for special program requirements.
P	AE_ ¹	Re-requisitioned materiel alternatively sourced subsequent to receipt of deficient materiel. Applicable to status related to DLMS requisition alerts, requisitions, and applicable follow-on transactions for materiel requisitioned from DLA under BRAC SS&D IMSP ² .
P	All other DI codes	Reserved for future DoD assignment.

¹ Refer to ADC 352, implementation date January 2011.

<u>CODE</u>	<u>APPLICABLE DI CODES</u>	<u>EXPLANATION</u>
Q	All DI codes	Reserved for future DoD assignment. Reserved for future DoD assignment.
R	DHA, D7_, A4_	Recurring demand.
R	A5_	Pre-inventory document.
R	A6_	Denied. This denial results from a receipt posted in error during real-time "Issue from Receiving" processing, or from discovery of a receipt processing error during denial research. Distribution depot to submit receipt reversal.
R	AE_ ³	Requisition delayed due to storage activity denial.
R	All other DI codes	Reserved for future DoD assignment.
S	DHA, D7_, A4_	Commissary resale demand.
S	AE6 ⁴	LRO rejected due to duplication of suffix code internal to receiving Service. LRO may be resent with suffix code advanced.
S	All other DI codes	Reserved for future DoD assignment.
T	D7J, A5J	Materiel condemned. Shelf-life has expired and cannot/will not be extended. Quantity indicated shipped direct to DRMO or other authorized/required disposal action has been taken.
T	All other DI codes	Reserved for future DoD assignment.
U	A5_	Post inventory document.
U	All other DI codes	Reserved for future DoD assignment.
V	All DI codes	Reserved for future DoD assignment.
W	AE6, A4_ ⁵ A6_, D7_ ⁶	Denied. Cannot identify DoDAAC/MAPAC of designated materiel recipient.
W	All other DI codes	Reserved for future DoD assignment.

² Expanded use for all Components requisitioning from DLA is planned for future implementation (approximately 2014).

³ Authorized for use in intra-Army supply status (ADC 191), and subsequent expanded for inter-Service/Agency used (ADC 312). Implementation outside Army applications is pending.

⁴ Authorized for use in Army interface with DLA in response to a DLA-directed LRO.

⁵ Authorized for use only in intra-Navy D7_ Issue transaction reversals and in D7_ Issue transaction reversals between Navy Specialized Support Points and DSCs.

⁶ Authorized for use only in intra-Navy referral orders.

<u>CODE</u>	<u>APPLICABLE DI CODES</u>	<u>EXPLANATION</u>
X	AE6, A4_ ³ A6_, D7_ ⁴	Denied. Consignee, freight forwarder, or country representative has advised that issue of this materiel will constitute a duplicate shipment.
X	All other DI codes	Reserved for future DoD assignment.
Y	A6_ ⁷	<i>Denied. Materiel pre-positioned at a forward site associated with the identified storage activity for Navy industrial activity (IA) maintenance operations.</i>
Y	All other DI codes	Reserved for future DoD assignment.
Z	D7_, DG_, A6_,	Exception Data entered in remarks or follows by separate correspondence.
0	All DI codes	Reserved for future DoD assignment.
1	AE6, A4_ ⁵ A6_, D7_ ⁶	Denied. Stock exhausted; unsuccessful storage activity search has been made.
1	All other DI codes	Reserved for future DoD assignment.
2	AE6, A4_ ⁵ A6_, D7_ ⁶	Denied. Materiel not available in condition requested.
2	All other DI codes	Reserved for future DoD assignment.
3	AE6, A4_ ⁸ A6_, D7_ ⁹	Denied. Materiel not available in proper shelf-life.
3	All other DI codes	Reserved for future DoD assignment.
4	AE6, A4_ ⁵ A6_, D7_ ⁶	Denied. Materiel not available in type pack (overseas or domestic) requested (subsistence only) or specified lot number cannot be released (ammunition only).
4	All other DI codes	Reserved for future DoD assignment.
5	AE6, A4_ ⁵ A6_, D7_ ⁶	Denied. Reidentification or reclassification of assets in process. Storage activity to advise results of reidentification or reclassification.
5	All other DI codes	Reserved for future DoD assignment.

⁷ Refer to ADC 370.

⁸ See footnote 3 on page AP2.6-5.

⁹ See footnote 4 on page AP2.6-5.

<u>CODE</u>	<u>APPLICABLE DI CODES</u>	<u>EXPLANATION</u>
6	AE6, A4_ ⁵ A6_, D7_ ⁶	Denied. No record of NSN at storage activity. This denial results from review of the storage records and the storage activity has not conducted a physical search for the item.
6	All other DI codes	Reserved for future DoD assignment.
7	AE6, A4_ ¹⁰ A6_, D7_ ¹¹	Denied. Zero balance in an issuable condition indicated on storage activity custodial/memorandum record and no record location exists. This denial results from review of the storage records and the storage activity has not conducted a physical search for the item.
7	All other DI codes	Reserved for future DoD assignment.
8	Appropriate DI codes	Reserved for assignment by the Component managing the item; not assigned by DoD.
9	AE6, A4_ ⁵ A6_, D7_ ⁶	Denied. To ICP from storage. Item was ordered in one continuous length only but is not so available.
9	All other DI codes	Reserved for future DoD assignment.

¹⁰ See footnote 3 on page AP2.6-5.

¹¹ See footnote 4 on page AP2.6-5.

Enclosure 3, DLMS Change Concurrence/Comment Resolution

	Submitter	Response	Response
1.	DLA	Concur	
2.	DDC	<p>The intent of this PDC is to assign a new denial management code for materiel in the physical custody of the Navy IA but the record is maintained in DSS which according to the PDC DLA would still be accountable for the materiel. In addition the PDC states that "DLA will not have visibility that the materiel is located at a forward site" then goes on to state that "When the depot attempts to process the MRO and it is determined the materiel is physically located at a forward site, the MRO will be denied. If DLA does not have visibility how is the distribution site going to determine that the materiel is stored at a forward site?"</p> <p>Also a new denial management code will be assigned (F) to indicate the materiel is stored at a forward site so that the materiel may be resourced elsewhere, will the new denial management code negatively impact the DDCs denial metrics?</p>	<p>DLA: The request for the new denial management code is again in support of BRAC SS&D sites. The NSY sites have a process where a home site manages maintenance for a ship at a forward site. This is referred to as off-station support or forward site. DLA will be the material provider for all materials (DLA managed and other Service managed items). There will be instances when the requisition from the BRAC site request material be positioned at a forward site in anticipation of an upcoming scheduled maintenance job. As an example, EBS will have material shipped to the forward site, when receipted DSS will have the PMRD information which will increment the home sites inventory and EBS would process the receipt to the same site. So now both DSS and EBS will have inventory at DDNV. Based on the business rules established between Navy and DLA, there will be instances when EBS will attempt to use the stock to fill a high priority request reflecting specific parameters with this stock. EBS does not recognize the inventory as being at a forward site, therefore the MRO will be sent to DDNV. DSS will know the inventory is forward positioned and not available to fill other than the SS&D BRAC maintenance request. Therefore, the MRO will need to be denied by DSS back to EBS with the new management code. No inventory adjustments will be made by either DSS or EBS. This should not be counted against the depot in any metric.</p>
3.	Navy	Concur	
4.	AF	Concur	
5.	USTRANSCOM	Abstain	