



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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IN REPLY
REFER TO

DLMSO

August 10, 2010

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 391, New Denial Management Code to Support the New Protection Process at the Navy Shipyards (NSYs) when Protection Document Number/Job Order does not Match DSS Records under BRAC SS&D/IMSP (Staffed as PDC 412)

The attached change to DOD 4000.25-M, DLMS, is approved for implementation. This change is required for an upcoming Defense Logistics Agency (DLA) Enterprise Business System (EBS) release to support Base Realignment and Closure (BRAC) Supply, Storage and Distribution (SS&D) Inventory Management and Stock Positioning (IMSP).

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

A handwritten signature in black ink, appearing to read "Donald C. Pipp".

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:
DASD(SCI)

**ATTACHMENT TO ADC 391,
New Denial Management Code to Support the New Protection Process at the NSYs when
Protection Document Number/Job Order does not DSS Match Records
under BRAC SS&D/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. DLMSO memorandum dated May 06, 2010, PDC 366A, Procedures and Additional Data Content supporting Requisitions, Requisition Alerts, and Unit of Use Requirements under Navy BRAC SS&D/IMSP.

c. 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 Deputy Assistant Secretary of Defense for Supply Chain Integration (DASD (SCI)) direction provided to DLA and Navy authorizing immediate implementation of this DLMS change.

4. REQUESTED CHANGE:

a. Description of Change: This change request authorizes the use of a new management code on the DLMS 945A, Material Release Denial, indicating a denial has occurred on a request for a Navy Shipyard (NSY) maintenance customer. Inventory is not affected by the use of this code. The NSYs have a requirement to relate Direct Material Inventory (DMI) to a protection document number (either an unfunded requisition alert document number for DLA owned material or a Navy funded requisition document number for Navy owned material) and Job Order (JO). When a Material Release Order (MRO) (940R) is processed and no match for the protection document number and JO exist in the Distribution Standard System (DSS) database the request will be denied to the material owner, but no adjustment to inventory will be made.

b. Background: 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. Inventory positioned at the NSY sites to support the maintenance mission will be related to a protection document number and job order. This protection information will be used to issue the material to the correct job upon request. Material reserved for a specific job cannot be used to fill another job's request.

c. Detailed Procedures:

(1) NSY sites will request production consumable material from DLA in advance of the start of an availability using an unfunded requisition alert. For Depot Level Repairable (DLR), Nuclear Support Consumables, or Navy Program Owned Material, NSYs will submit funded requisitions to the designated source of supply. The document number and job order number on these requests will be used to relate a specific quantity and material positioned at a shipyard.

(2) The NSY sites will generate a funded requisition to Enterprise Business System (EBS) for DLA owned assets or a MRO to DSS for Navy-owned assets when the artisan begins work. Either of these requests will reflect the same document number and job order used to protect the material while in storage. The data elements will be passed to the storage system on the DLMS transaction 940R, MRO, for DSS to use in accessing picklist information and also to locate the material within the warehouse.

(3) In instances when the document number and JO matches DSS files, the material will be pulled and delivered to the artisan. DSS will generate all applicable supply and shipment status transactions.

(4) When the protection document number and job order on the material release order do not match the DSS files, a material release denial will be generated back to the material owner with the new management code. No inventory adjustment will be made to owner assets.

(5) The material owner (DLA or NSY) system [DLA Enterprise Business System (EBS) or NSY Material Access Technology (MAT)] will receive the denial with the new management code and determine the appropriate action (assessing availability of protected/unprotected stock and cause of mismatch).

(6) DLA or Navy may subsequently generate a DLMS Warehouse Service Request 940S or an Asset Reclassification 846A, as appropriate, to request the protection of currently unprotected material under the previously denied protection document number and JO or generate an 846A requesting the modification from an existing protection document number and JO for the same material to the previously denied protection document number and JO. DSS will process the request to assign or modify protection and respond accordingly. The material owner system will then generate a new material release order for the material previously denied.

(7) Refer to Enclosure 1 for MILSTRAP, Appendix 2.6, revisions. Comparable changes will be made to the DLMS Dictionary. The new Management Code Q is established as follows:

Management Code Q	Denied. Storage activity unable to match materiel release order to a protection document number and job order number. Requested stock cannot be released. Applicable to DLA Navy industrial activity support agreement.
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5. Alternatives: None

6. REASON FOR CHANGE: Mapping a new management code to the 945A supports the requirement to provide visibility of denials occurring when the protection document number and

job order combination do not match the records in DSS. This action will prevent material at NSY sites from being issued incorrectly. This requirement is applicable to both Navy and DLA owned assets.

7. ADVANTAGES AND DISADVANTAGES:

a. Advantages: Ensure material positioned for a specific availability is issued only to that job and to identify any discrepancies in the level of protection for that availability does not match between systems.

b. Disadvantages: N/A.

8. IMPACT:

a. Policy and Procedures:

(1) On March 11, 2010, the Deputy Assistant Secretary of Defense for Supply Chain Integration authorized DLA and Navy to proceed with development of procedures associated with the industrial activity support agreements under BRAC. Although this requirement was not identified at the time, the authorization to proceed is applied.

(3) Update to DoD 4140.1-R, DoD Supply Chain Materiel Management Regulation, to address protection aspects under SS&D is recommended.

(4) 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 may begin June 2010. The first site goes live January 2011, the EBS functionality will be put in production December 2010.

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 an industrial activity support agreement² .
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	A6_	Denied. Storage activity unable to match materiel release order to a protection document number and job order number. Requested stock cannot be released. Applicable to DLA Navy industrial activity support agreement.
Q	All other DI codes	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.

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

<u>CODE</u>	<u>APPLICABLE DI CODES</u>	<u>EXPLANATION</u>
W	All other DI codes	Reserved for future DoD assignment.
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	Denied. Materiel pre-positioned at a forward site associated with the identified storage activity for Navy industrial activity (IA) maintenance operations.
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.

Navy Specialized Support Points and DSCs.

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

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>
5	All other DI codes	Reserved for future DoD assignment.
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.