DEFENSE LOGISTICS AGENCY

HEADQUARTERS

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IN REPLY
REFER TO

April 02, 2013

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 1049, New Supply Status Code for Backorders Awaiting Engineering Support Activity (ESA) Support and First Article Testing (FAT) (MILSTRIP/Supply/Logistics)

The attached change to Defense Logistics Manual (DLM) 4000.25, Defense Logistics Management System (DLMS) and DLM 4000.25-1, Military Standard Requisitioning and Issue Procedures (MILSTRIP), is approved for staggered implementation beginning no sooner than June 1, 2014. Supply PRC members are required to actively monitor for implementation of this ADC and provide implementation dates when they become available. The updated DLMS Supplement will be posted to the DLA Logistics Management Standards Office Web at www.dla.mil/j-6/dlmso/elibrary/TransFormats/140_997.asp within 10 days from the above date.

Addressees may direct questions to Ms. Ellen Hilert, DOD MILSTRIP Administrator, 703-767-0676 or DSN 427-0676, e-mail: ellen.hilert@dla.mil, or Ms. Heidi Daverede, DOD MILSTRIP Alternate, 703-767-5111; DSN 427-5111, e-mail: heidi.daverede@dla.mil. Others may direct questions to their Service or Agency designated Supply PRC representative available at: www.dla.mil/j-6/dlmso/CertAccess/SvcPointsPOC/allpoc.asp.

DONALD C. PIPP
Director
DLA Logistics Management
Standards Office

Attachment
As stated

cc:
ODASD(SCI)

Attachment to ADC 1049
New Supply Status Code for Backorders Awaiting
Engineering Support Activity (ESA) Support and First Article Testing (FAT)

1. **ORIGINATOR:** Defense Logistics Agency (DLA) J-331, 703-767-7297 (DSN 427)

2. **FUNCTIONAL AREA:** Supply/ Logistics, Requisition Processing

3. **REFERENCES:**

    a. DLM 4000.25, Defense Logistics Management System (DLMS), Volume 2, DLMS

    b. DLM 4000.25-1, Military Standard Requisitioning and Issue Procedures (MILSTRIP)

4. **APPROVED CHANGE:**

    a. Brief Overview: This change establishes two new supply status codes. The first new status code will be used to inform requisitioners that their order has been placed in a backorder status while the Inventory Control Point (ICP)/Integrated Materiel Manager (IMM) seeks further information from an ESA to obtain the materiel in question. A second status code will be used to notify the requisitioner of a delay while the requisitioned item is undergoing FAT. These new status codes are additive, providing clarifying information to the customer regarding processing delays. They will always be preceded, and later superseded, by routine MILSTRIP back-order, processing, or cancellation status.

    b. Background:

        (1) Currently, DLA and other IMMs/ICPs provide a basic backorder status code, such as BB (item is back ordered against a due-in to stock) or BZ (requisition is being processed for direct delivery procurement), to the customer when there is no known manufacturer for the part being requisitioned. While technically accurate, the customer does not know that the IMM/ICP has reached out to the ESA to find a source for this part (a process that can add a significant number of days to the duration of the backorder).

        (2) The ESA is the military activity designated to provide the engineering support to DLA or GSA when engineering/technical assistance including the development of technical data and engineering criteria, engineering representation, guidance, and decisions are required for procurement of a required item.

        (3) FAT and subsequent approval ensures that the contractor can furnish a product that conforms to all contract requirements for acceptance. Before requiring testing and approval,

the contracting officer considers the impact on cost or time of delivery; risk to the Government of foregoing such test; and the availability of other, less costly, methods of ensuring the desired quality. Testing and approval may be appropriate when: (1) the contractor has not previously furnished the product to the Government; (2) the contractor previously furnished the product to the Government, but there have been changes in processes or specifications; (3) production has been discontinued for an extended period of time; (4) the product acquired under a previous contract developed a problem during its life; (5) the product is described by a performance specification; or (6) it is essential to have an approved first article to serve as a manufacturing standard.

c. Detailed Procedures:

(1) Use of a Supply Status Based on Need for ESA Support:

(a) Upon receipt of an order where the IMM/ICP has no stock and no long-term contract in place to support that item, the IMM/ICP will furnish BB (item is back ordered against a due-in to stock) or BZ (requisition is being processed for direct delivery procurement) status, as appropriate, while efforts are underway to fulfill the order, according to current procedures.

(b) When the IMM/ICP determines that it has no source for procuring the item in question, and after the IMM/ICP refers the item to an ESA for support on identifying a manufacturer/substitute item/etc., a new Status Code PW will be provided to inform status recipients of the most recent action. An ESA response due date will be provided to indicate how many days the IMM will wait for an ESA response to their inquiry. If this field is blank, the IMM will wait indefinitely.

(c) If an answer is received from the ESA, appropriate action will be taken by the IMM to include (but not limited to): (1) procuring the item from a newly identified source, (2) rejecting the order and recommending ordering a different part/next higher assembly, (3) rejecting the order as the part is being coded obsolete, or (4) rejecting the order as non-procurable.

(d) If an answer is not received from the ESA within the timeframe established by the IMM, a second supply status containing the new Status Code PW may be transmitted. The ESA response due date will be updated to reflect the extended time allowed for response.

(2) Use of a Supply Status Based on First Article Testing (FAT) Requirement:

(a) Upon receipt of an order where the IMM/ICP has awarded a contract to support requisitions for that item via Direct Vendor Delivery and the vendor must go through FAT before shipping to the customer. The customer will be informed initially that the order is undergoing procurement action (BZ Status) and, subsequently, new status code PF will be provided to indicate that FAT is underway and is the reason for a delay in shipment.

(b) The customer may contact the IMM/ICP to obtain further information on the status of the FAT, including any projected completion date.

(c) When the FAT is successful, status will be updated to BV (item procured and on contract for direct shipment to consignee). In the event that the vendor cannot pass FAT, the order will revert to BZ status while another source is located.

(3) Revisions to DLM 4000.25 Manuals:

(a) Revise MILSTRIP Appendix 2.16, Status Codes, to include new supply status codes and definitions as shown.

"Code   Explanation

PF   Delayed shipment; item undergoing First Article Testing with the vendor. Failure to pass FAT will result in further delays.
PW   Item is backordered. Request has been sent to an Engineering Support Activity for further support on this item. When available, the Engineering Support Activity Response Due Date is provided/extended (see rp 70-73 or DLMS DTM Segment, Qualifier 268)."

(b) Revise MILSTRIP Appendix 3.10, Supply Status, to allow identification of the Engineering Support Activity Response Due Date:

"FIELD LEGEND	RECORD POSITION(S)	ENTRY AND INSTRUCTIONS
Estimated Shipping Date	70-73	When designated by the status code, enter the four-position ordinal day by which it is estimated the materiel *will* be shipped.[1, 2]

[1] When used by the MPC, this *will* be the date associated with the materiel arrival (NL Status) or delivery (NW or Navy-unique BA Status).
[2] When used with PW Status, this will be Engineering Support Activity Response Due Date indicating the date established by the IMM/ICP waiting for a response from the Engineering Support Activity. A revised date may be provided in a second transmission of Supply Status PW if additional time is required to coordinate with the ESA. Refer to ADC 1049."

(c) Revise DLMS 870S Supply Status as shown.

#	Location	DLMS 870S Revision	Reason
1.	DLMS Intro Notes	Add to DLMS introductory note 4: *- ADC 1049, New Supply Status Code for Backorders Awaiting Engineering Support Activity (ESA) Support*	Identifies change associated with the transaction.
2.	2/DTM01/240	Add new Qualifier 268 and associated DLMS note: **268 End Date of Support** **DLMS Note:** ***1. Use to identify the Engineering Support Activity Response Due Date.*** ***2. Use in conjunction with Supply Status PW to indicate the date established by the IMM/ICP waiting for a response from the Engineering Support Activity. A revised date may be provided in a second transmission of Supply Status PW if additional time is required to coordinate with the ESA.*** ***3. Authorized DLMS enhancement; refer to ADC 1049.***	Clarification of usage.

      d. Alternative: Retain current procedures.

5. REASON FOR CHANGE: Provides the customer with additional information regarding the status of their requisition.

6. ADVANTAGES AND DISADVANTAGES:

      a. Advantages: Requisitioner will have more accurate information regarding the status of their order. Process for cancellation of non-procurable items will be more transparent.

      b. Disadvantages: Services may be unable to accept new status codes.

7. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: Staggered implementation is authorized no sooner than June 1, 2014.

8. IMPACT:

    a. Automated Information Systems (AIS):

        (1) All systems must recognize/process the new supply status codes.
Staffing Note: Services/Agencies unable to interpret the new status codes may default to prior status. The new status codes are additive providing a clarification of status, but will always be preceded by an existing MILSTRIP status code. If the supply status transaction containing a new status fails in the recipient's system, the prior status will remain applicable until superseded. The new code will always be superseded by an existing MILSTRIP status. This mitigates risk for delayed Service implementation of systemic recognition of the new values. Services may ask DLA Transaction Services to suppress new status codes if so desired.

        (2) GSA should review for implementation of codes applicable to the ESA.

        (3) Generation of the new status code for FAT is applicable for all Military Service sources of supply.

    b. DLMS Data Elements: The approved data updates described in this change must be incorporated in the DLMS Dictionary.

        (1) Two new supply status code values are established as indicated.

        (2) A new variant of the core data element for dates is established to identify the Engineering Support Activity Response Due Date.

    c. DLA Transaction Services: This change requires a Defense Automatic Addressing System (DAAS) mapping update for the ESA Response Due Date. Web Virtual Logistics Information Processing System (WebVLIPS) must be updated to reflect new status code definitions and provide visibly of dates. Upon Service request, DLA Transaction Services may suppress transmission of new status codes.

    d. Non-DLA Logistics Management Standards Publications: Internal Service/Agency guidance may need to be updated. DLA will need to update the Customer Assistance Handbook.

Enclosure, Comment Resolution

		PDC 1049 Comments	
	Submitter	**Response**	**Resolution**
1.	DLA	Concur. In response to query by customer support personnel, DLA advised that DLA might be able to pursue accelerated application of the new ESA and FAT status codes using manual intervention (potentially late 2013/early 2014 rather than waiting for full automation in 2015), based upon the Service's ability to accept the new values. The Services were asked to assess their ability to accept incoming status for near term implementation. Subsequent to discussion, DLA concurred with withdraw of proposed Status Code PX (see row comment row 3).	Noted. Service Response to Accelerated Implementation: Marine Corps: Marine Corps requests implementation NOT be accelerated because of current fiscal constraints that prevent us from making the change in GCSS-MC. Air Force: Will not be able to implement until Q4 2015. MILSTRIP Administrator: Although DLA may implement prior to the Services, the new codes are always preceded by an existing status code, and later followed by an existing status code. Therefore, if the Service misses a new code in the middle because it cannot accept the new value, the Service will have exactly what information is available now. The bottom line is that the change will be approved for staggered implementation but failure to recognize the new values will create an operational deficiency.
2.	Army	Army concurs with the following comments from FMS: These new status codes would definitely allow us to better diagnose the reasons for lengthy backorders, but would cause SAMIS, CISIL, and MISIL to require modification.	Noted. DLA Transaction Services may be asked to suppress

		PDC 1049 Comments	
	Submitter	**Response**	**Resolution**
		LMP, which is used by the LCMCs, would also need to be modified. Not sure if the changes would be cost effective, but if the domestic services do decide to go ahead with the new codes, software updates are required on the FMS, if only to convert the new incoming codes to BB or BZ.	status pending implementation.
3.	Navy	Concur. Comments/questions: 1. As originally proposed the new status stating "***Final notice has been sent to Engineering Support Activity for response. If no response is received, the order will be rejected as non-procurable.***" could be perceived as rewarding bad behavior by the ESAs. There is an impression that this new process will let the ESA "off the hook" because after a certain time of non-response by the ESA the IMM sends the CK status. 2. It appears that the admirable goal of this PDC is to allow the requisitioner insight into the process between the IMM and ESA. Is that all that is changing? The folks in the field will now just have more visibility of the interaction between the ESA and IMM? 3. There was also concern that this PDC would cause significant amount of work to implement in some of our IT systems. The Navy would need a considerable amount of time to implement this change. We will need to work with the other services in determining the appropriate implementation date.	Noted. 1. Concur. Recommend withdrawal of Status Code PX applicable to a non-responsive ESA. The IMM will be able to extend the response time with a second transmission of Supply Status PW. It is the responsibility of the IMM to coordinate with the ESA, and the responsibility of the ESA to respond. Deviation from these responsibilities will not be integrated into DoD procedures. 2. Yes, the goal of the DLMS change is to provide visibility of the reason for delays in order fulfillment. 3. Noted. Staggered implementation is authorized.
4.	Air Force	Concur. 1. RE: *PF Delayed shipment; item undergoing First Article Testing with the vendor...* Add to BD Requisition is delayed: (5) Failure to pass First Article Testing will result in further delays. Contact the IMM for further information on estimated completion dates, etc. 2. *PW ~~Item is backordered with no known source.~~* Add to BP: (2) First Article Testing with the vendor, request has been sent to an Engineering Support Activity	Noted. 1. Agree that the Air Force suggestion would reduce programming impact, but Status Code BD is less informative and so does not meet the goal for this process enhancement. 2. Nonconur. Status Code BP is not a suitable use for the new business process. Its current definition is not

		PDC 1049 Comments	
	Submitter	**Response**	**Resolution**
		for further support on this item. When applicable, the Engineering Support Activity Response Due Date is provided. See rp 70-73 or DLMS DTM Segment Qualifier 268. 3. *Delete" Item is backordered with no known source."* Rational: Need a required source to be official backordered. 4. *PX:* *Edit and add to CA: First Article Testing with the vendor, final notice has been sent to Engineering Support Activity for response. No response received, the order will be rejected as nonprocurable.* ~~*The revised Engineering Support Activity Response Due Date is provided (see rp 70-73 or DLMS DTM Segment Qualifier 268).*~~ Rational: This read as a follow-up action and cancellation request. Reply should be "CA" since it already exists. Delete last line status will be provided with a different status code. 5. If approved this change will have an impact to ILS-S. ILS-S will have to make changes to recognize the three new codes. 6. Suggestion/Comment: Why not use existing codes that may suffice such as "BD" and then "CA" to cancel, depending on how often the new codes will be used? 7. Request more information on why new codes are required rather than using existing codes.	applicable to FAT. 3. Concur. Updated to remove "with no known source" only. 4. Nonconcur. Status Code CA requires narrative text for processing and is not an equivalent for this automated process. 5. Noted. 6. The new codes will be used in conjunction with existing to codes to provide more information to customers. 7. The new codes will clarify for customers the reason for extended delays in order fulfillment.
5.	Marine Corps	Concur	Noted.
6.	USTRANS COM	Approve.	Noted.