December 02, 2015

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1123, Revised Procedures for Management Control Activity (MCA) Validation of Government Furnished Materiel (GFM)/Contractor Furnished Materiel (CFM) Requisitions and Contractor DoDAAC Assignment (Supply/MILSTRIP/DoDAAD)

      The attached change to DLM 4000.25, Defense Logistics Management Standards, and DLM 4000.25-1, Military Standard Requisitioning and Issue Procedures (MILSTRIP), is approved for implementation. Staggered implementation applies; however, generation of MCA Validation Requests for CFM under this ADC are authorized for implementation beginning January 1, 2017. See paragraph 9 of the attachment for details of the implementation plan.

      Addressees may direct questions to Ms. Ellen Hilert, DOD MILSTRIP Administrator, 703-767-0676, DSN 427-0676, or e-mail: Ellen.Hilert@dla.mil, or Ms. Heidi Daverede, DOD MILSTRIP Alternate, 703-767-5111; DSN 427-5111 or email: Heidi.Daverede@dla.mil. Others must contact their Component designated Supply PRC representative available at
https://www2.dla.mil/j-6/dlmso/CertAccess/SvcPointsPOC/allpoc.asp

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment
As stated

cc:
ODASD (SCI)
ODASD DPAP (PDI)
DoDAAD PRC (Primary and Alternate)

Attachment to ADC 1123
Revised Procedures for Management Control Activity (MCA) Validation of Government Furnished Materiel (GFM)/Contractor Furnished Materiel (CFM) Requisitions and Contractor DoDAAC Assignment

1. ORIGINATOR:

   a. Service/Agency: Defense Logistics Agency (DLA) HQ Order Management, J-341, DSN: 427-7297, Commercial (703) 767-7297

   b. Co-Sponsor: Defense Logistics Management Standards Office (DLMSO), Ellen Hilert, DOD MILSTRIP Administrator, ellen.hilert@dla.mil

2. FUNCTIONAL AREA: Supply/Requisitioning

3. REFERENCES:

   a. DLM 4000.25-1, Military Standard Requisitioning and Issue Procedures (MILSTRIP), Chapter 11, Contractor Access to Government Sources of Supply, and Appendix 2.2, Service and Agency Codes, available at http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/dlm/dlm_pubs.asp

   b. DLM 4000.25, Defense Logistics Management Standards, Volume 2, Chapter 26, Contractor Access to Government Sources of Supply, and Volume 6, Chapter 2, Department of Defense Activity Address Directory (DoDAAD), available at above website

   c. DOD Manual 4140.01, DOD Supply Chain Materiel Management Procedures, Volume 9, Material Programs, February 10, 2014, available at http://www.dtic.mil/whs/directives/corres/pub1.html

   d. DLMS Supply PRC Meeting 08-2, October 14-16, 2008 minutes

   e. Approved DLMS Change (ADC) 82, Contractor Access to Government Supply Sources, November 7, 2002

   f. ADC 209, Processing Contractor Furnished Materiel (CFM) Requisitions between Government Sources of Supply and Army Contractors

   g. ADC 211, Exception Processing for GFM for Packaged Fuel Additives Managed by DLA, October 18, 2006

   h. ADC 319, Use of Two-Position Service/Agency Codes for the Defense Logistics Agency (DLA) and the U.S. Coast Guard (USCG), April 6, 2009

i. ADC 323, DoD Activity Address Directory (DoDAAD) Enhancements to DoDAAD Including Contracting Data and other Enhancements, May 19, 2009

j. ADC 1006, Exception Processing for DLA Contractor Furnished Material (CFM) Requisition, July 12, 2012

4. APPROVED CHANGE(S): Significant updates subsequent to staffing are highlighted in green.

    a. <u>Overview</u>:

        (1) This change documents the deletion of previously approved DLA exceptions/deviations to the current requirements under MILSTRIP procedures for contractor access to DOD supply sources. These exceptions established Transaction Services' edits, interfaces, and tables to provide MCA validation for requisitions submitted by DLA contractors for both GFM and CFM materiel. With the implementation of this change, DLA will validate DLA contractor requisitions for both GFM and CFM against their internal DLA MCA Table.

        (2) This change establishes a requirement for MCA validation for CFM regardless of the Component sponsoring the contractor. All MCA MILSTRIP procedures applicable to GFM will be extended to CFM. Transaction Services' edits for pseudo MCA processing of DOD EMALL CFM requisitions paid via credit card will be eliminated upon Component implementation of MCA validation to mirror existing GFM procedures.

        (3) This change clarifies requirements for conducting MCA validation for post-post requisition processing where MCA validation is not accomplished prior to order fulfillment.

        (4) This change updates MCA procedures and associated transactions to correct a gap in DLMS procedures for transmission of the DLMS 517G MCA Validation Request to Transaction Services for Defense Automatic Addressing System (DAAS) routing to the MCA by Distribution Code (vice Routing Identifier Code (RIC)).

        (5) This change documents/clarifies the requirement for DLA and the Services to assign all contractor Department of Defense activity address codes (DoDAACs) using the appropriate Service/Agency Codes. This will require that DLA transition from currently assigned contractor DoDAACs using the SD-series to U-series DoDAACs. Accomplishing this will ensure these DoDAACs are recognized as contractor DoDAACs and do not bypass MCA validation. This change further establishes a DoDAAD edit to enforce future DoDAAC assignment for DLA contractor DoDAACs (no new SD-series DoDAAC assignments for DLA contractors).

        (6) This change does <u>not</u> impose immediate implementation of DAAS validation comparable to GFM requisitions upon CFM requisitions. An addendum to this change will be published by early 2017 to require standard MCA edits at DAAS that apply to both GFM and CFM upon implementation of expanded MCA functionality within Component systems to meet the new requirement for validation of CFM requisitions. This delay in enforcement of CFM validation requirements by DAAS is intended to preclude operational impact during the

transition to full validation of contractor requisitions. However, Components must recognize that the staggered implementation approach will authorize sources of supply to transmit requests for MCA validation to the MCA for CFM requisitions beginning January 1, 2017, and procedures must be established to ensure responses are provided. To support staggered implementation, DoD Components authorizing CFM must advise contractors to construct requisitions using required data content comparable to GFM requisitions prior to January 1, 2017 and be prepared to respond to SoS requests for MCA validation.

b. **Background:**

(1) **DLA-sponsored CFM and GFM**

(a) Previously, DLA Enterprise Business System (EBS) did not support MCA validation for externally created GFM and CFM requisitions. For these requisitions, DLA established Transaction Services as DLA's pseudo MCA. To provide a basic level of validation, DLA established an internal Manufacturer's Directive Number (MDN) Table in EBS that contained authorized MDNs for external DLA GFM/CFM requisitions. Additionally, DLA established tables at Transaction Services that contained the DoDAACs of contractors authorized CFM and the DoDAACs and national item identification numbers (NIINs) of authorized GFM. Externally generated DLA contractor GFM/CFM requisitions received by EBS with valid MDNs were validated against these Transaction Services' MCA tables prior to fulfillment.

(b) The desired outcome of this ADC is to replace the process that validates externally generated DLA contractor GFM/CFM requisitions against the Transaction Services' DLA MCA Tables, with an MCA validation process internal to EBS. This will allow a more robust and comprehensive MCA validation process and eliminate the current piecemeal approach to DOD required MCA validation. This ADC documents the DLA/EBS capability to validate DLA authorized GFM/CFM requisitions when the Source of Supply (SoS) is DLA and when it is other than DLA.

(c) Currently, DLA is pursuing system changes to enable processing of MCA Validation Request transactions for both GFM and CFM from the Military Services for MCA validation of DLA contractor requisitions containing Military Service-managed materiels, and to enable generation of responding MCA Validation Response transactions back to the Military Service. Initially this ADC included interim procedures for Transaction Services' DAAS processing to ensure DLA MCA validation is accomplished for DLA contractor CFM requisitions directed to another Component SoS pending implementation of the requirement for MCA validation of CFM within the Component SoS systems. Subsequent to staffing of PDC 1123, DLA decided not to pursue DLA system changes to implement interim MCA validation capability for CFM requisitions in situations where the Service has not yet developed systems capability to generate MCA Validation Request transactions and to receive MCA Validation Response transactions. The complexity and cost of developing such a DLA interim capability is prohibitive for purpose of implementing a temporary solution no longer needed when the Services comply with ADC 1123. Therefore, the language in ADC 1123 related to this DLA interim capability is removed.

(2) MILSTRIP MCA Validation of CFM:

(a) MILSTRIP requirements for MCA validation of CFM impose the Army requirement that Army CFM be treated as GFM and be subjected to MCA validation procedures on an inter-Service basis. Additionally, MILSTRIP includes unique procedures supporting minimal validation of requisitions submitted via DOD EMALL. With the exception of these, there are no DOD-prescribed procedures supported by automated processing to ensure that contractor access to DOD supply sources is restricted to authorized contracts, materiel, and quantities when the contractor is identified as the bill-to in the requisition.

(b) The Transaction Services' DAAS requirement for DOD EMALL CFM processing is a work-around established primarily because requisition formatting required for credit card billing obscures the fact that the materiel is being paid for by the contractor (i.e., the bill-to DoDAAC is the DOD EMALL S-series DoDAAC giving the appearance of a Government bill-to). Therefore, all DOD EMALL requisitions are required to undergo a minimal edit for an authorized contract number. The Army further enhances the Transaction Services edit for authorized national stock numbers (NSNs). In order to monitor CFM purchases by the contractor, the sponsoring Service/Agency has limited capability using Transaction Services Web tools.

(3) Supply Chain Policy

(a) The Supply Process Review Committee (PRC) has long been advised that the gap in policy and procedures creates an inappropriate void. In 2008, DLMSO expressed concern to the Supply PRC that the lack of systemic processing to support MCA validation for all contractor requisitioned materiel provides opportunity for abuse (Refer to Reference 3.d.).

(b) In light of the heightened OSD emphasis on controlling contractor access to DOD supplies, DLMSO requested the Office of the Deputy Assistant Secretary of Defense for Supply Chain Integration (ODASD (SCI)) give consideration to the policy gap and the resulting lack of DOD level systemic controls for CFM validation during the reissuance of supply policy. Subsequently, DoDM 4140.01, DOD Supply Chain Materiel Management Procedures (Reference 3.c.) was published incorporating comprehensive guidance for validation of contractor-related requisitions. This new policy serves as the basis for the CFM MCA validation requirements beyond those changes requested by DLA and for the termination of all work-arounds for a formal MCA validation currently supported under MILSTRIP.

(c) Under the updated policy, the MCA must establish a system that:

1. Validates and approves all contractor-initiated requisitions and DOD-initiated materiel requisitions coded for direct shipment to a contractor. MCA procedures are applicable to materiel requisitioned for shipment to a contractor on either a reimbursable or non-reimbursable basis as specified in the contract.

2. Restricts contractor access to specific predetermined items and quantities of those items by ensuring requisition validity, adequate authority, and consistency with the terms of an existing contract.

3. Rejects contractor and DOD-initiated materiel requisitions that do not comply with the requirements of an existing contract.

4. Passes approved requisitions to the applicable DOD source of supply for action.

5. Ensures that the quantity requisitioned does not exceed the contract-authorized quantity.

6. Supports the supply source contractor requisition validation process that ensures no shipment is made without MCA verification.

(d) Additionally, the supply chain procedures require that DOD supply sources will refer back to the cognizant MCA for review and applicable action, any requisitions for DOD materiel provided to contractors that have not passed through and been approved by an MCA.

(4) MCA Validation Request Routing by Distribution Code. Existing MILSTRIP legacy procedures allow for customer requisitions to identify the MCA by distribution code (rp 54). If the requisition is reviewed by the MCA prior to the SoS, the MCA may insert the MCA RIC as the RIC From (rp 74-76) or forward the requisition to the SoS with only the MCA distribution code. Upon receipt of the requisition, the SoS must send the MCA Validation Request to the MCA. The SoS will use the MCA RIC as the RIC-To in the transaction when it is available. However, when it is not available from the requisition, the outgoing legacy transaction contains only the distribution code which DAAS uses for routing. The DLMS Implementation Convention (IC) for the MCA Validation Request does not fully support this process because DLMS transactions must include identification of the party to receive the transaction (traditionally identified by RIC) and the distribution code is never used as the "To" addressee. An update is provided to clarify how this process will work when the MCA Validation Request is formatted as a DLMS transaction and the SoS does not have visibility of the MCA RIC.

(5) Contractor DoDAACs beginning with 'SD'

(a) ADC 319 (Reference 3.h.) documented DLA use of the SD-series DoDAACs to identify prime vendor contractors as a temporary deviation. The ADC documented DLA's intent to assign new contractor DoDAACs using the correct contractor series (i.e., Service/Agency Code U). It further documented the plan to apply MCA validation to GFM requisitions where the contractor is identified by an SD-series DoDAAC. Neither of these goals was achieved and DLA continues to use SD-series DoDAACs, which bypass MCA validation.

(b) ADC 323 (Reference 3.i.) was subsequently published indicating that only the Service/Agency Code U is valid for DLA contractor DoDAACs.

c. **Approved Change in Detail**:

(1) **DLA GFM and CFM Requisitions**

(a) DLA will validate externally generated DLA contractor GFM requisitions against an internal EBS MCA Validation table, thereby complying with References 3.a. and 3.b. rules for contractor access to DOD inventories. Additionally, in accordance with Reference 3.c., DLA will validate externally generated DLA CFM contractor requisitions against the internal EBS MCA Validation Table. This validation will apply both when DLA EBS is the SoS and when other Services/Agencies (S/As) are the SoS. It also includes credit card and non-credit card DLA requisitions submitted via DOD EMALL.

(b) This change obviates the need for the current DLMS 517G (DIC AX1/AX2 GFM Validation Request and Reply) exchange between EBS and Transaction Services for DLA contractor GFM/CFM requisitions and the validation by Transaction Services against the DLA GFM and DLA CFM MCA tables established in the DAAS. Concurrent with implementation of the new DLA GFM/CFM MCA edit in EBS, the current exchange between Transaction Services and EBS (documented in ADC 211, Exception Processing for GFM for Packaged Fuel Additives Managed by DLA (Reference 3.g.) and ADC 1006, Exception Processing for DLA CFM Requisitions (Reference 3.h.)) will be eliminated.

(2) **Military Service CFM Requisitions.** Under this change, all Services are required to expand current functionality supporting MCA validation to include CFM. All MILSTRIP procedures applicable to GFM MCA validation apply to CFM MCA validation. This includes validation for incoming CFM requisitions where the Service is the SoS and requisitions submitted by a Service-sponsored contractor to another Component SoS. This will be a significant change for the Air Force, Navy, and Marine Corps whose contractor's CFM requisitions are not currently subject to externally requested MCA validation. It requires expanded capability from the Army. Army MCA validation for CFM must be enhanced to use internal Army processing vice reliance on DAAS tables for DOD EMALL requisitions and DAAS special processing rules for performing MCA validation responses for Army retail (Reference 3.a. Paragraph C11.7.5 and C11.8.2.1 through C11.8.2.6.). To support staggered implementation of full CFM validation, DoD Components authorizing CFM will advise contractors to construct requisitions using required data content comparable to GFM requisitions.

(3) **DOD EMALL Requisitions.** Upon notification of Component capability to perform MCA validation for CFM, the DAAS work-around procedures established for DOD EMALL requisitions will be terminated (References 3.e. and 3.f.).

(4) **Post-Post Requisition Processing.** Revise procedures to insert additional guidance for conducting MCA validation after order fulfillment for post-post requisition/referral order processing. Upon receipt of the MCA Validation transaction, the MCA will update the MCA files to identify the NSN and quantities issued to the contractor. If the post validation

process reveals that the contractor is not authorized to requisition the materiel, then the MCA will submit cancellation requests to the SoS for any unshipped quantities and advise the appropriate criminal-investigating agency for determination of fraud, waste, and abuse.

        (5) Rename the DLMS 517G. Rename the DLMS 517G from 'GFM Validation' to 'MCA Validation' and update notes as appropriate (Enclosure 3).

        (6) Requisition/Referral Order Image Format. Revise procedures to indicate that requisition/referral order image transactions provided to Transaction Services for visibility/record history must contain GFM/CFM contract data as applicable.

        (7) MCA Validation Request Routing by Distribution Code. Revise DLMS procedures to recognize and support existing legacy functionality allowing transmission of the MCA Validation Request to Transaction Services for DAAS routing to the MCA by Distribution Code. This occurs when the requisition provides only the applicable distribution code and not the MCA RIC. For processing in a DLMS environment, this will require the DLMS 517G to be updated to identify the RIC-To as Transaction Services (identified as the "Gateway Provider"). When DAAS is designated as the transaction recipient, it will be DAAS responsibility to determine the RIC (or DoDAAC) of the MCA and construct the outgoing MCA Validation Request using the appropriate RIC (or DoDAAC)-To (dropping the "Gateway Provider" from the transaction).

        (**8**) **DAAS Special Processing for MCA Validation Response for CFM Requisitions.** While Components may request DAAS special processing for generating responses to CFM Validation Requests for contractors identified to that Component by Service/Agency code, the intent of this ADC is to discourage and eventually eliminate this practice as an alternative under MILSTRIP procedures. Automatic DAAS-generated responses circumvent the requirements of DOD policy for CFM validation. Such requests must be reviewed by DLMSO on a case-by-case basis prior to any implementation at DAAS.

        (9) Contractor DoDAACs

        (a) Establish a DoDAAD edit to ensure assignment of new DLA contractor DoDAACs conform to the correct Service/Agency Code U-series.

        (b) Components must ensure that all contractor DoDAACs are assigned using the Service/Agency code designated for contractors per Reference 3.a.

d. **Revisions to DLM 4000.25 Manuals**:

(1) Revise DLM 4000.25, Volume 2, Chapter 26, Contractor Access to Government Sources of Supply, with corresponding changes to DLM 4000.25-1, MILSTRIP, Chapter 11, as shown at Enclosure 2.

(2) Revise DLM 4000.25, Volume 1, Appendix 2, Terms and Definition, as follows:

MANAGEMENT CONTROL ACTIVITY (MCA). A DOD Component, DOD activity, or non-DOD activity, if participating by separate agreement (e.g., the Coast Guard), designated to receive, screen, and validate Military Service-initiated and contractor-initiated requisitions for ~~government furnished~~ *direct shipment to contractors of* materiel ~~(GFM)~~ *sourced* from the wholesale supply system to support DoD contracts or requirements. *MCA procedures are applicable to materiel requisitioned for shipment to a contractor on either a reimbursable or non-reimbursable basis as specified in the contract.* ~~(See DoDM 4140.01)~~

(3) Revise DLM 4000.25-1, Appendix 2.2, Service and Agency Codes as follows:

SERVICE CODES											
Code	4	5	30	31	45	46	67	68	74	75	S/A	Remarks
S	S		S		S		S		S		DLA	See footnote
S			S	D	S	D					DLA	Contractor Use Only[18]

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[18] *DLA contractor DoDAACs beginning with SD are not recognized on an Enterprise level as contractor DoDAACs. This series is not authorized for continued use and existing DoDAACs must be transitioned to the U-series. Refer to ADC 1123.*

(4) Revise the DLMS 517G Implementation Convention (IC) as shown in Enclosure 3.

e. **Transaction Flow:** Under this proposal all GFM and CFM requisitions will be processed to the applicable internal S/A MCA eliminating use of DAAS tables/pseudo MCA processing. Use of pseudo validation procedures/tables by DAAS will be eliminated. Refer to Enclosure 1 for diagrams depicting the standard requisition and MCA validation transaction flow.

f. **Alternatives:** Continue DAAS procedures pending transition to full compliance with MCA validation processing.

5. REASON FOR CHANGE:

     a. To fully comply with existing References 3.a. and 3.b. MILS/DLMS requirements for validation of GFM requisitions against established S/A MCA tables prior to allowing contractors access to DOD inventories.

     b. To fully comply with Reference 3.c. for validation of CFM requisitions against established S/A MCA tables prior to allowing contractors access to DOD inventories.

6. ADVANTAGES/DISADVANTAGES:

     a. <u>Advantages</u>**:**

     (1) Replaces the current DLA pseudo MCA validation process with a comprehensive validation process that eliminates the current piecemeal approach to the DOD MCA validation on a near-term basis.

     (2) Establishes guidance for all S/As to apply MCA validation to CFM, tightening DOD controls over contractor access to DOD supply sources.

     b. <u>Disadvantage</u>**:** None identified.

7. ASSUMPTIONS USED OR WILL BE USED IN THE CHANGE OR NEW DEVELOPMENT:

     a. All Components other than DLA. All contractor DoDAACs will be identified by contractor Service/Agency codes in accordance with MILSTRIP Appendix 2.2 (Reference 3.a.).

     b. DLA. DLA will fully transition contractor DoDAACs to the Service/Agency Code U-series and discontinue use of contractor DoDAACs in the SD-series. Use of the SD-series masks the identification of a contractor DoDAAC and, thereby, bypasses required validation for contractor access to DOD supply sources. MILSTRIP Appendix 2.2 identifies the SD-series as a contractor solely to document the current DLA practice; however, system edits at Transaction Services and within Service/Agency requisition processing systems recognize DoDAACs using Service/Agency Code S as DLA Government organizations. **Continued use of the SD-series for contractors is an audit readiness risk.**

8. ADDITIONAL FUNCTIONAL REQUIREMENTS:

     a. DLA must work with its current GFM/CFM contractors to ensure they can properly construct and submit appropriately coded GFM/CFM transactions.

     b. DLA must load the EBS MCA table for all U-series DoDAACs, all GFM/CFM contracts, and the NIINs and quantities authorized by those contracts. Pending transition of SD-series contractor DoDAACs to the U-series, DLA should consider loading SD DoDAACs to the MCA table and validating those requisitions processed for DLA-managed materiel.

c. DLA must establish an MCA RIC (or multiple RICs, as appropriate).

d. Comparable requirements apply to the Services.

9. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: Staggered implementation applies; generation of MCA Validation Requests for CFM under this ADC is authorized for implementation beginning January 1, 2017. To support staggered implementation, DoD Components authorizing CFM must advise contractors to construct requisitions using required data content comparable to GFM requisitions prior to January 1, 2017. Components must report implementation status to DLMSO.

a. DLA: Scheduled implementation is not available at this time.

(1) DLA has already completed programming of the MCA validation tables and edits necessary to validate DLA contractor GFM/CFM requisitions when DLA *is both* the SoS and the MCA.

(2) DLA programming of the ability to validate DLMS 517G/AX1 transactions for both GFM and CFM received from other S/As when EBS is the MCA but *not* the SoS is pending.

Staffing Note: DLA cannot implement all the procedures associated with MCA validation of requisitions concurrently. Phased implementation for DLA is required impacting DAAS procedures (refer to paragraph 11, DLA impact).

b. Staggered implementation is authorized for Service generation of outgoing requests for MCA validation for CFM.   In order to support staggered implementation, Services must be able to respond to incoming requests for MCA validation beginning January 1, 2017.

Staffing Note: Processing of incoming requests for MCA validation will require updating internal tables to include contracts authorizing CFM purchased from another Component. Manual intervention by the MCA may be needed for interim capability to respond to MCA Validation Requests applicable to CFM requisitions placed with other Component sources of supply.

c. Transaction Services:

(1) DoDAAD edit should be implemented within four months of ADC publication.

(2) DLMS transaction processing revisions for identification of Transaction Services "Gateway Provider" should be implemented within five months of ADC publication.

10. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: Not available.

11. IMPACT:

   a. New/revised DLMS data elements: Not applicable.

   b. Automated Information Systems (AIS):

      (1) S/A systems need to be modified to recognize CFM requisitions, which will now require an AX1/AX2 validation process exchange prior to processing.

      (2) S/A systems not currently capable of supporting MCA validation procedures for CFM must be upgraded for this requirement.

Staffing Note: If system changes to support this requirement are not available beginning January 1 2017, the Service must make certain alternative procedures are in place to ensure MCA Validation Responses are provided.

      (3) Army: The planned elimination of DAAS tables for EMALL CFM validation and special processing for Army contractors considered to be retail level will require expanded MCA functionality within Army AIS.

      (4) DLA

         (a) Implement internal MCA validation.

         (b) Complete required MCA processing by programming the ability to validate AX1 transactions for both GFM and CFM received from other S/As when EBS is the MCA but *not* the SoS.

      (5) DOD EMALL/FEDMALL: Review above procedures for consistency with required controls on contractors requisitioning from DOD supply sources.

   c. Transaction Services:

      (1) Implement DoDAAD edit to prevent future use of DoDAACs beginning with an SD for contractors.

      (2) Disestablish GFM/CFM tables and edits in support of ADCs 211 and 1006 in conjunction with DLA implementation.

      (3) Re-establish standard MILS/DLMS GFM edits to DLA GFM contractor requisitions and extend these standard edits to DLA CFM requisitions.

      (4) Refer to Enclosure 4, Transaction Services MCA Validation, for detailed description of selected edits impacted by this change.

   d. **Non- DLM 4000.25 Series Publications:**

      (1) May impact S/A internal guidance.

      (2) Update DoDM 4140.01 (Reference 3.c.) definition for MCA to align with policy to expand applicability for both reimbursable and non-reimbursable requisitions.

12. PROPOSED DLMS CHANGE (PDC) 1123 STAFFING RESPONSE/COMMENT RESOLUTION:

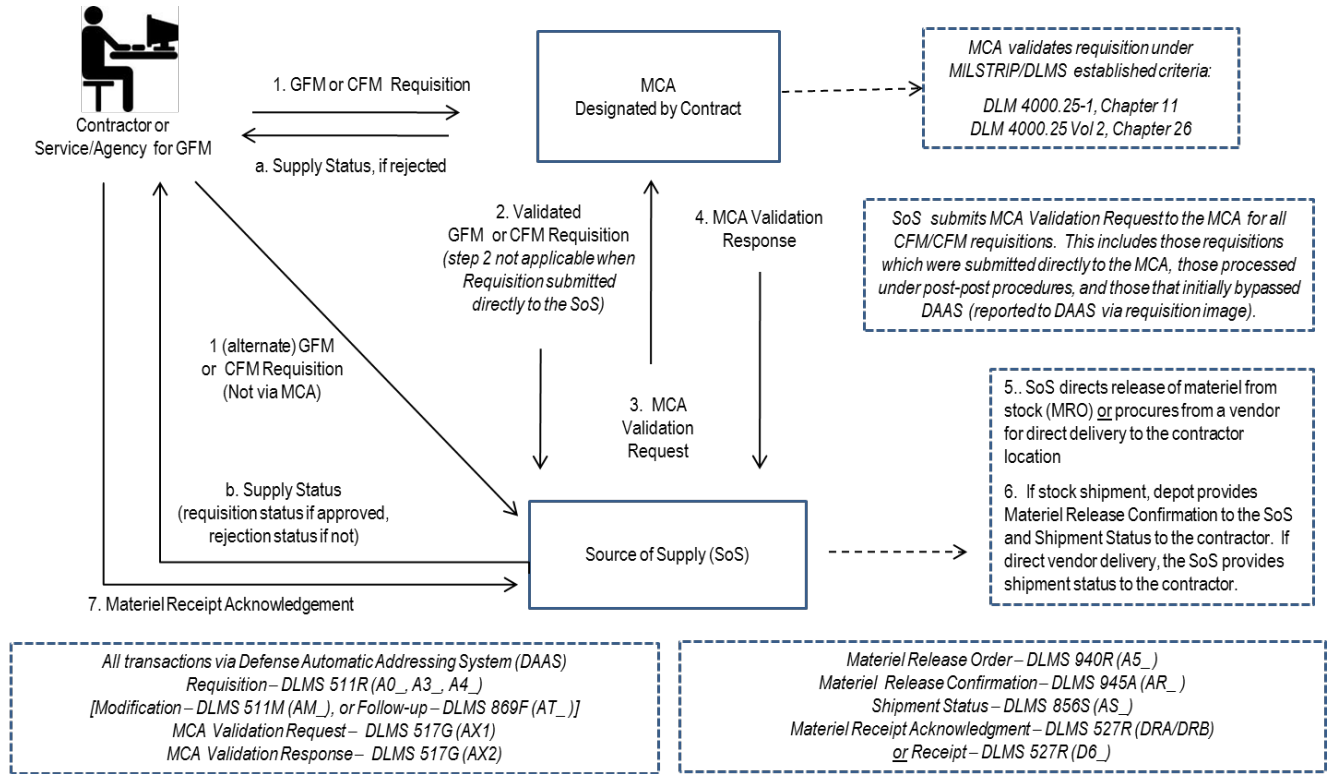|	Originator	Response/Comment	Disposition
1.	DLA	Concur with comment.	Noted
		1. Regarding PDC Staffing Note: DLA to provide target implementation date in response to PDC staffing. If these processes cannot be implemented concurrently, Transaction Services will need to retain work-around functionality for an interim period.	1. Scheduled implementation date should be provided when known.
		Request for Change BOF-C14-0083 submitted 9/17/14, approved by alignment group 10/21/14-implementation date TBD	
		2. The word REQUISITION got left out of the DLM 4000.25 paragraph below--probably should be right after GFM.	2. Sentence fixed as recommended.
			3. Noted.
		C26.5.1. The MCA must receive and validate GFM, Passing Orders, Referral Orders, Requisition Follow-Ups (DIC AT_), and Requisition Modifiers, based on the criteria furnished by procurement/contracting offices and as indicated in Table C26.T1.	4. Noted.
			5. DLMS Change has been updated accordingly.
		3. The Reutilization, Turn-in, and Disposal (RTD) office at DLA Disposition Services has been tasked with drafting the Requests For Change (RFCs) to ensure RTD Web, EBS, and DSS for Disposition Services are in compliance with the DOD Contractor validation requirements. DLA advises RFC to be	

	Originator	Response/Comment	Disposition
		prepared after ADC publication. 4. Due to audit readiness concerns, some parts of this draft ADC have been programmed and some have not. The following applies: BOF-C14-0083- In Process- Programming for DLA to receive DLA contractor CFM requisitions from DLA Transaction Services and validate them against the DLA MCA Table prior to DLA Transaction Services routing them to the appropriate SoS. BOF-13-072- Delivered 2/28/14- Programming of MCA validation tables and edits necessary to validate DLA contractor GFM/CFM requisitions when DLA is both SoS and the MCA. BOF-13-024- Delivered 11/25/2013- Programming to validate DLMS 517G/AX1 transactions for both GFM and CFM received from other S/As when EBS is the MCA but not the SoS. 5. Subsequent to PDC staffing, DLA determined that they will not be pursing interim capability in EBS to intercept CFM requisitions to do MCA validation while the Services develop the capability to send/receive AX1/AX2 transactions. This portion of the DLMS change has been withdrawn.	
2.	Navy	Concur.	Noted.
3.	Air Force	Concur with comment. Integrated Logistics System-Supply (ILS-S) comments: This PDC addresses 'requisition type transactions' that come from a contractor where the contractor's DoDAAC is on the requisition - either in the Requisition Document Number or the Supplementary Address fields. ILS-S has none of these types of requisitions. From that perspective - this PDC has no impact upon ILS-S. Users of ILS-S order parts in the 'retail' Air Force supply account for use by an Air Force/DoD organization. Shipments of AF parts to other non-AF entities, i.e. contractors, are accomplished via the RDO or Referral process. These orders will have already passed through the Management Control Activity (MCA) process before they come into ILS-S.	Noted. The intent is that no GFM should be provided without MCA validation (either prior to issuing the materiel or subsequently using post-post processing steps). DLMSO will work with the Air Force, as needed, to review the specific retail level process described.

	Originator	Response/Comment	Disposition
		However - we need to consider retail supply where contractors have retail accounts to order parts to perform maintenance or sustain Air Force equipment/systems. These orders may include requisitions to the source of supply or they may be filled from available on hand assets at the retail account. Our concerns are: Do retail activities require an MCA process? How does the MCA process work for items stocked already at the retail facility- there would be no requisition?	
4.	Marine Corps	Concur. Regarding Staffing Note: These procedures were originally established to support Army contractor requisitioning via DOD EMALL, but may now be used by other Components. Request Components other than Army notify DLMSO if removal of the DAAS tables supporting pseudo MCA validation will impact their contractor support. No problems have been identified related to removal of DAAS Tables supporting pseudo MCA validation.	Noted.

5.	Army	Concur.
		At present the Army concurs with PDC 1123 with comment:
		    a. Item 1: The CFM process is being looked at by HQ AMC to see if it is prudent policy.
		
		    b. Item 2: HQ AMC Enterprise Capability Integration Directorate is currently working with CASCOM, and will invite you [Army leads] to a telecon soon to discuss their position on how they plan to validate GFM requisitions/orders.
		
		Army will discuss internally to ensure that the Army will be able to meet the requirements identified in this change.
			Noted.

6.	Transaction Services	1. Do you know if DLA will require DLA Trans Svcs to validate the MDN (or first character of it) prior to passing to EBS? So for example, if the requisition contains the valid DLA MCA RIC, but the	1. DLA J33 provides the following response: DLA contractor requisitions will identify the SoS as the RIC-To and the MCA will be

	Originator	Response/Comment	Disposition
		distribution code field is blank, should the transaction rejection with CL status? Or should DAAS continue to pass the transaction? Basically, the RIC-TO field is the DLA MCA RIC, should the transaction be passed to EBS even if the MDN is not populated? I assume if the MDN is populated (with a valid first position), that DAAS should forward to the DLA MCA RIC, and if the RIC-TO is an SoS, then it should be overlaid with the DLA MCA RIC. The old DLA MCA logic appears to facilitate both scenarios, but I am not entirely sure by just looking at it. 2. Also, for the Air Force and Navy: they will need to let us know what logic their CFM requisitions should follow. I do understand that their implementation of the future ADC may be staggered. 3. If the RIC-To in the MCA Validation Request is SGA, DAAS will convert to a RIC. In the MILS world the MCA RIC for the AX1 is 74-76, what is the segment for the DoDAAC in for DLMS. I also assume that only DLMS customer would receive the DoDAAC as the MCA DoDAAC.	identified by the Distribution Code. DAAS will validate the distribution code and will reject with Status Code CL DLA contractor requisitions not identifying the DLA MCA. No edit by Transaction Services is required on the three-digit MDN. 2. Additional Component specific guidance is not available at this time. 3. Distribution codes are tied to DoDAACs, and the DoDAAC might have multiple RICs leaving the DAAS logic with a problem of not knowing which one to choose. Therefore the ADC allows DAAS flexibility to use the DoDAAC associated with the distribution code in the DLMS-formatted version of transaction. The IC has been updated for this. However, the intent is to use the MCA RIC when known. The legacy version just needs the distribution code, so there is no correlation for the DLMS use of a DoDAAC.

Enclosure 1, MCA Validation Transaction Flow

Standard GFM Requisition Flow Updated for CFM Requisition Flow
(Including Push and Pull GFM Scenarios)

Contractor or Service/Agency for GFM

1. GFM or CFM Requisition

a. Supply Status, if rejected

MCA Designated by Contract

MCA validates requisition under MILSTRIP/DLMS established criteria:

DLM 4000.25-1, Chapter 11
DLM 4000.25 Vol 2, Chapter 26

2. Validated GFM or CFM Requisition
(step 2 not applicable when Requisition submitted directly to the SoS)

4. MCA Validation Response

SoS submits MCA Validation Request to the MCA for all CFM/CFM requisitions. This includes those requisitions which were submitted directly to the MCA, those processed under post-post procedures, and those that initially bypassed DAAS (reported to DAAS via requisition image).

1 (alternate) GFM or CFM Requisition (Not via MCA)

3. MCA Validation Request

b. Supply Status (requisition status if approved, rejection status if not)

7. Materiel Receipt Acknowledgement

Source of Supply (SoS)

5.. SoS directs release of materiel from stock (MRO) or procures from a vendor for direct delivery to the contractor location

6. If stock shipment, depot provides Materiel Release Confirmation to the SoS and Shipment Status to the contractor. If direct vendor delivery, the SoS provides shipment status to the contractor.

All transactions via Defense Automatic Addressing System (DAAS)
Requisition – DLMS 511R (A0_, A3_, A4_)
[Modification – DLMS 511M (AM_), or Follow-up – DLMS 869F (AT_)]
MCA Validation Request – DLMS 517G (AX1)
MCA Validation Response – DLMS 517G (AX2)

Materiel Release Order – DLMS 940R (A5_)
Materiel Release Confirmation – DLMS 945A (AR_)
Shipment Status – DLMS 856S (AS_)
Materiel Receipt Acknowledgment – DLMS 527R (DRA/DRB)
or Receipt – DLMS 527R (D6_)

Enclosure 2, DLM 4000.25, Volume 2, Chapter 26, Revisions

C26. CHAPTER 26

CONTRACTOR ACCESS TO GOVERNMENT SOURCES OF SUPPLY

C26.1. <u>GENERAL</u>

C26.1.1. <u>Purpose.</u> This chapter prescribes policies and procedures for requisitioning government furnished materiel (GFM) by or for contractors from the DoD Supply System. These procedures establish guidelines for requisitioners, authorized contractors, and Services/Agencies (S/As) to obtain GFM from DoD inventories to fulfill contract requirements.[1] These procedures also support the use of <u>MILSTRIP</u> requisitioning by authorized contractors to obtain materiel from Government supply sources to be used as contractor-furnished materiel (CFM) under controls established by the authorizing Component and as specified in this chapter. Basic MILSTRIP requisitioning procedures are documented in DLM 4000.25, Volume 2, Chapter 4; those procedures are augmented by this chapter to identify additional requirements associated with GFM and CFM.

C26.1.2. <u>Transactions</u>. This chapter addresses the procedures and applicable transactions relevant to requisitioning GFM and CFM. See the Defense Logistics Management Standards Office Website for available formats: www.dla.mil/j-6/dlmso/elibrary/TransFormats/140_997.asp. The corresponding <u>MILSTRIP</u> legacy 80 record position transaction functionality is also provided for ease of interpretation by DLMS users and to support those working in a legacy environment. In addition to the listed MILSTRIP legacy transactions, the DLMS formats may incorporate functionality to support Component-unique transactions as noted in the implementation convention.

C26.1.2.1. The Requisition Transaction is identified by the DLMS 511R by beginning segment (1/BR02/020 Code A0). This transaction provides the functionality of MILSTRIP legacy Document Identifier Codes (DIC) A01, A02, A04, A05, A0A, A0B, A0D, and A0E.

C26.1.2.2. The Passing Order Transaction is identified by the DLMS 511R by beginning segment (1/BR02/020 Code BM). This transaction provides the functionality of MILSTRIP legacy DIC A31, A32, A34, A35, A3A, A3B, A3D, and A3E.

C26.1.2.3. The Referral Order Transaction is identified by the DLMS 511R by beginning segment (1/BR02/020 Code BN). This transaction provides the functionality of MILSTRIP legacy DIC A41, A42, A44, A45, A4A, A4B, A4D, and A4E.

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[1] Procedures to control access to DoD materiel inventories by defense contractors last reported as not implemented by USA (Retail). Refer to Approved MILSTRIP Change Letter (AMCL) 1A.

C26.1.2.4. The Requisition Modification Transaction is identified by the DLMS 511M by beginning segment (1/BR02/020 Code AM). This transaction provides the functionality of MILSTRIP legacy DIC AM1, AM2, AM4, AM5, AMA, AMB, AMD, and AME.

C26.1.2.5. The Requisition Follow-Up Transaction is identified by the DLMS 869F by beginning segment (1/BSI08/020 Code IN). This transaction provides the functionality of MILSTRIP legacy DIC AT1, AT2, AT4, AT5, ATA, ATB, ATD, and ATE.

C26.1.2.6. The Requisition Inquiry ~~Request~~ is identified by the DLMS 869A by beginning segment (1/BSI08/020 Code AF). This transaction provides the functionality of MILSTRIP legacy DIC AF1, AF2, AF3, AF4, AF5, AFC, AFY).

C26.1.2.7. The Requisition Supply Assistance Request is identified by the DLMS 869A by beginning segment (1/BSI08/020 Code AR). There is no equivalent MILSTRIP legacy DIC.

C26.1.2.8. The ~~GFM~~ *MCA* Validation Request is identified by the DLMS 517G by beginning segment (1/BR02/20 Code GI). This transaction provides the functionality of MILSTRIP legacy DIC AX1.

C26.1.2.9. The ~~GFM~~ *MCA* Validation Response is identified by the DLMS 517G by beginning segment (1/BR02/20 Code GA). This transaction provides the functionality of MILSTRIP legacy DIC AX2.

C26.1.2.10. The Supply Status Transaction is identified by the DLMS 870S by beginning segment (1/BSR01/020 Code 4). This transaction provides the functionality of MILSTRIP legacy DIC AE1, AE2, AE3, AE8, AE9, AEA, AEB, AED, and AEE.

C26.1.2.11. The Requisition Cancellation Transactions is identified by the DLMS 869C by beginning segment (1/BSI08/020 Code AC). This transaction provides the functionality of MILSTRIP legacy DIC AC1, AC2, AC3, AC4, AC5.

C26.1.2.12. The Follow-Up on Requisition Cancellation Request Transactions is identified by the DLMS 869C by beginning segment (1/BSI08/020 Code AC). This transaction provides the functionality of MILSTRIP legacy DIC AK1, AK2, AK3, AK4, AK5.

C26.1.2.13. The Shipment Status Transaction is identified by the DLMS 856S by beginning segment (1/BSN06/0200 Code AS). This transaction provides the functionality of MILSTRIP legacy DIC AS1, AS2, AS3, AS8, AU1, AU2, AU3, and AU8.

C26.1.2.14. The Materiel Obligation Validation Request Transaction is identified by the DLMS 517M by beginning segment (1/BR02/20 Code AN). This transaction provides the functionality of MILSTRIP legacy DIC AN1, AN2, AN3, AN4, AN5, AN9, and ANZ.

C26.1.2.15. The Materiel Obligation Validation Response Transaction is identified by the DLMS 517M by beginning segment (1/BR02/20 Code AP). This transaction provides the functionality of MILSTRIP legacy DIC AP1, AP2, AP3, AP4, AP5, AP8, AP9, APR, and APX.

C26.1.2.16. The Post-Post Requisition/Referral Order Transaction identified by the DLMS 511R by beginning segment (1/BR02/020 Code A0 or BM) with Action Code J. This transaction provides the functionality of legacy DIC C0A, C01, CQA, CQ1, or comparable Component-unique DIC.

C26.1.2.17. The Requisition/Referral Order Image Transaction identified by the DLMS 511R by beginning segment (1/BR02/020 Code A0 or BM) with Action Code FI. This transaction provides the functionality of legacy DIC CHA, CH1, or comparable Component-unique DIC.

C26.1.3. Establishing a Management Control Activity. The S/As must assign a unique routing identifier code (RIC) and distribution code to each management control activity (MCA) validating GFM *and CFM* requisitions.

C26.1.4. Violations. Any attempt to circumvent ~~GFM~~ *MCA* validation requirements is sufficient cause to refer the violation to the appropriate criminal investigating activity to determine possible fraud, waste, and abuse. The sponsoring Service/Agency must refer all violations to criminal investigators and the monitoring MCA based on reports of rejected transactions or violations discovered during the post validation process.

C26.2. APPLICABILITY

C26.2.1. These procedures apply to all contractors and all S/A activities requisitioning GFM or CFM from DoD sources of supply.

C26.2.2. Ammunition production is excluded from GFM control.

C26.3. PREPARATION OF REQUISITIONS and RELATED TRANSACTIONS FOR GOVERNMENT MATERIEL FURNISHED TO CONTRACTORS

C26.3.1. Requisition Initiation. Requisitions for GFM may be initiated by the responsible S/A or, subject to the terms of the contract, by contractors. Requisitions for GFM will be prepared and initially submitted by GFM requisitioners, both contractors and S/As, using MILSTRIP transaction formats to the S/A MCA designated for monitoring the contract. Transmission through the Defense Automatic Addressing System (DAAS) will be utilized to the extent practical.

C26.3.2. Identifying Requisitions for GFM Controls. Requisitions and associated transactions containing an S/A code designated for contractors, as specified in Appendix AP7.2 (Department of Defense activity address code (DoDAAC) in the document number or ship-to DoDAAC), will be processed under GFM controls and restrictions except when the signal and fund codes indicate that the issue will be for CFM with contractor reimbursement by other than an Army contractor. All Army contractor requisitions and associated transactions must be processed under GFM controls.

C26.3.3. Required Information. In addition to normal requisition data, GFM requisitions, including Referral and Passing Orders will contain the following:

C26.3.3.1. RlC of the MCA monitoring the contract, (2/N101/70 Code Z5) (MILSTRIP legacy rp 4-6).

C26.3.3.2. For contractor generated requisitions, contractor DoDAAC in first six positions of document number. Document number DoDAAC perpetuated to the ordered by activity (1/N101/70 Code OB) (MILSTRIP legacy rp 30-35).

C26.3.3.3. For S/A generated requisitions for GFM, contractor ship-to DoDAAC (2/N101/70 Code ST) which may also be perpetuated to the supplementary address (2/LQ01/140 Code A9) based upon signal code usage (MILSTRIP legacy rp 45-50).

C26.3.3.4. When applicable, a signal code to indicate issue without reimbursement, (2/LQ01/140 Code DE) (MILSTRIP legacy rp 51).

C26.3.3.5. When applicable, a fund code to indicate issue without reimbursement, (2/FA201/286 Code B5) (MILSTRIP legacy rp 52-53).

C26.3.3.6. <u>Contract Information</u>. All GFM requisitions for or by contractors must identify the contract number and other appropriate contract data, as required. Components authorizing GFM may direct the inclusion of the manufacturing directive number (MDN) as supplemental to the authorizing contract number.[2]

C26.3.3.6.1. Identification of the contract number (2/GF03/70). In MILSTRIP legacy, the last eight positions of the procurement instrument identification number (PIIN) are mandatory in rp 73-80.[3]

C26.3.3.6.2. When applicable, the call/order number, (2/GF07/70) (MILSTRIP legacy rp 69-72).

C26.3.3.6.3. Identification of the contract line item number, (2/GF01/70 Code C7). There is no MILSTRIP legacy equivalent for the contract line item number.

C26.3.3.6.4. At the option of the S/A, a manufacturing directive number (MDN), (2/GF01/70 Code W3) (MILSTRIP legacy rp 54-56).

C26.3.3.7. GFM non-national stock number (NSN) requisitions are identified by the applicable code qualifier at 2/LIN02/100. In MILSTRIP legacy, they must be identified with an E in rp 68; the call/order number, if appropriate, in rp 69-72; and the last eight positions of the PIIN in rp 73-80 (the MDN is optional).

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[2] Refer to ADC 1014. Staggered implementation is authorized for the transition to the mandatory inclusion of the contract number (rather than MDN as an alternative to the contract number).
[3] Refer to ADC 1014. Staggered implementation is authorized for the transition to the full DFARS compliant contract number (rather than the abbreviated contract number authorized under legacy MILSTRIP procedures).

C26.4. SUBMISSION OF GOVERNMENT FURNISHED MATERIEL REQUISITIONS and RELATED TRANSACTIONS

C26.4.1. Frequency of submitting GFM requisitions is the prerogative of the requisitioner. GFM requisitions will be submitted, when necessary, to meet contract requirements.

C26.4.2. Initiating activities must submit all GFM requisitions (DLMS 511R/MILSTRIP legacy DIC A0_) and associated GFM transactions, regardless of origin (such as contractor or S/A initiated) to the appropriate S/A MCA for validation.

C26.4.3. After validating the GFM requisitions, the MCA forwards validated requisitions to the inventory control point (ICP). The MCA may pass transactions internally when the MCA and ICP are collocated. The MCA will send the transactions via DAAS when the MCA and ICP are not collocated. In those instances where a Component is performing the procurement/contract writing for another Component that includes the authorization for a contractor to order or receive GFM (or Army CFM), the Component providing the procurement/contracting service and the Component requesting the contract will coordinate efforts to ensure ~~that~~ the requesting Component's MCA has access to the necessary contract and applicable contract modification information to perform its management control and accountability functions over Government supply system materiel access.

C26.4.4. Modifier transactions are authorized for GFM requisitions only to modify the project code, priority designator (PD), advice code, and the required delivery date (RDD). Modifiers may not be used to change the ship-to/bill-to information. Modifiers are subject to GFM controls and validation procedures.

C26.5. MANAGEMENT CONTROL ACTIVITY PROCESSING OF GOVERNMENT-FURNISHED MATERIEL REQUISITIONS *AND* RELATED TRANSACTIONS

C26.5.1. The MCA must receive and validate GFM *Requisitions*, Passing Orders, Referral Orders, Requisition Follow-Ups (DIC AT_), and Requisition Modifiers, based on the criteria furnished by procurement/contracting offices and as indicated in Table C26.T1. The MCA will make changes, reject, or continue the processing action on the GFM transactions. The MCA may also receive Supply Status, Shipment Status, Materiel Obligation Validation transactions, Requisition Inquiry/Supply Assistance Requests (DICs AF_, Requisition Cancellations, and Follow-Ups on Requisition Cancellation Requests. All other DLMS transactions and legacy DICs received by the MCA must be rejected with Status Code CR.

C26.5.2. The MCA will maintain requisition history files to serve as an auditable record of GFM transactions. In addition, the MCA will generate reports as required by DoDM 4140.01, "DoD Supply Chain Materiel Management Procedures", February 10, 2014.

C26.5.3. Under emergency conditions, such as a potential contract work stoppage, the MCA may receive telephonic requisitions, with PDs 01-08, for GFM. When this occurs, the MCA may telephone the requisitions to the appropriate source of supply (SoS) and validate the requirements afterward. *Additionally, if the requisition is processed as a post-post action and, therefore, bypassed MCA validation prior to order fulfillment, the SoS retains responsibility*

for ensuring MCA validation is accomplished. If the post validation process reveals that the requisitioner is not authorized GFM, the following actions must be taken:

C26.5.3.1. Submit cancellation requests to the appropriate SoS *for any unshipped materiel*.

C26.5.3.2. Advise the appropriate criminal-investigating agency for determination of fraud waste, and abuse.

C26.5.4. Upon completion of the validation process, the MCA will identify itself as the RIC-From organization in the transaction, make the following changes and forward the requisitions, or internal requisition transactions (optional only when the MCA and SoS are collocated in the same ~~distribution~~ system), cancellations, follow-ups, requisition modifiers, passing orders, or referral orders to the applicable SoS through DAAS:

C26.5.4.1. Insert the RIC-To of the SoS.

C26.5.4.2. Insert the distribution code of the MCA validating the transaction.

C26.5.4.3. Perpetuate all applicable contract data. Under DLMS, the MCA must include the DFARS contract number. Where required by the Component, the MCA may also perpetuate the MDN consisting of the MCA's distribution code and two other alpha/numeric characters as assigned.[4]

C26.5.4.4. For MILSTRIP legacy transactions, delete the data in rp 69-80.

C26.5.5. MCAs in receipt of ~~GFM~~ *MCA* Validation Request transactions will validate the data contained therein. This validation process must be completed and a*n* ~~GFM~~ *MCA* Validation Response transaction created and forwarded to the applicable SoS within 15 days of receipt of the ~~GFM~~ *MCA* Validation Request transaction. The results of the validation will be documented in the ~~GFM~~ *MCA* Validation Response as follows:

C26.5.5.1. If the requisition has been previously validated, cite Advice Code 2M.

C26.5.5.2. If the requisition has not been previously validated and the call/order number/PIIN (or MDN and/or CLIN, if required by the Component in addition to the call/order number/PIIN) is not present, cite Advice Code 2U.

C26.5.5.3. If the requisition has not been previously validated and the call/order number/PIIN is present, validate the data elements as indicated in Table C26.T1, and generate the ~~GFM~~ *MCA* Validation Response as follows:

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[4] Refer to ADC 1014. Staggered implementation is authorized for the transition to the full DFARS compliant contract number (rather than the abbreviated contract number authorized under legacy MILSTRIP procedures) and for the transition to the mandatory inclusion of the contract number (rather than MDN as an alternative to the contract number).

C26.5.5.3.1. If the validation process reveals that the contract is not valid, respond with Advice Code 2U.

C26.5.5.3.2. If the validation process reveals that the requested quantity exceeds the contract authorized quantity, respond with Advice Code 2R and indicate the quantity approved for issue.

C26.5.5.3.3. If the validation process reveals that the requested quantity exceeds the contract authorized quantity, respond with Advice Code 2Q and indicate the total quantity is disapproved for issue.

C26.5.5.3.4. If the validation process reveals that the requested item, or contractor is not authorized GFM under a valid contract, respond with Advice Code 2V.

C26.5.5.3.5. If the validation process reveals that the requested item is authorized, respond with Advice Code 2M.

C26.5.6. MCAs in receipt of Supply Status with Status Code BF from the SoS will review for establishment of a valid requisition. If a valid requisition exists, a Requisition Follow-Up (MILSTRIP legacy DIC AT_) transaction will be generated. If a valid requisition does not exist, a report will be generated for internal review. Subsequent receipt of a valid requisition will be processed under the procedures/validation process indicated in Table C26.T1.

Table C26.T1. MCA Validation Process ~~for GFM Transactions~~

CODE or DATA ELEMENT	VALIDATION OF ENTRY
DLMS Transaction (MILSTRIP Legacy DIC)	If DLMS 511R Requisition, Referral or Passing Order (MILSTRIP Legacy DIC A01, A02, A04, A05, A0A, A0B, A0D, A0E, A3_, A4_), DLMS 511M Requisition Modification (MILSTRIP Legacy DIC AM_) (for RDD, project code, PD, or advice code), DLMS 869F Requisition Follow-Up (MILSTRIP Legacy DIC AT_) continue the ~~GFM~~ *MCA* validation. *Post-post requisition/referral order transactions must contain relevant contract data, but MCA validation occurs subsequent to order fulfillment.*
Stock Number	Verify item requisitioned against a valid contract to determine authority for issue to the contractor. If blank, incorrect, or not authorized, reject with Status Code DN.
Unit of Issue	Validate the unit of issue in conjunction with the quantity to ensure that the requisitioned quantity does not exceed the authorized quantity. If quantity is excessive, see validation of quantity field. (Note: If a change of unit pack has occurred, appropriate adjustment should be made for authorized quantity.)

Table C26.T1. MCA Validation Process ~~for GFM Transactions~~

CODE or DATA ELEMENT	VALIDATION OF ENTRY
Quantity	If ordered item is authorized by contract, verify the quantity. If blank or invalid, reject with Status Code CD. If the requisitioned quantity exceeds the remaining authorized quantity, reject the quantity exceeding the authorized quantity with Status Code DJ. If authorized quantity has been exhausted by previous requisition(s), reject total requisitioned quantity with Status Code DQ.
Requisitioner	If blank or incorrect, discard. If not authorized, reject with Status Code DN.
Document Number	If blank or incorrect, reject with Status Code CD.
Supplementary Address	If contractor DoDAAC, and affected by signal code, and incorrect or not authorized, reject with Status Code DN.
Signal and Fund	If signal and fund codes indicate issues without contractor reimbursement, process as GFM; otherwise, consider as CFM. CFM requisitions~~, except for Army,~~ are ~~not~~ subject to MCA review.[5] ~~All Army contractor requisitions and associated transactions will be processed under GFM controls. DAAS will respond to requests for MCA review for Army CFM under special processing rules authorized by the Army~~.
Manufacturer's Directive Number	If the MDN option is required by the Component, the Component will validate; otherwise, reject with Status Code DB.
Contract Call or Order Number	If specified by S/A contract, and entry is blank or incorrect, reject with Status Code DB.
Contract Line Item Number (CLIN)	If specified by S/A contract, and entry is blank or incorrect, reject with Status Code DB.
Procurement Instrument Identification Number	If blank, or contract is not on MCA file, or contract has expired, reject with Status Code DB. (If requisition originated in the MILSTRIP legacy format, then only the last eight positions of the PIIN are mandatory.)

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[5] *Staggered implementation authorized; refer to ADC 1123. Pending implementation by all Services and Agencies, Army contractor requisitions for CFM will be forwarded for MCA validation except as noted in paragraphs C26.7.5. (for Army retail) and C26.8.2. (for use of the DAAS CFM Authorized Materiel Table).*

C26.6. SOURCE OF SUPPLY PROCESSING OF GOVERNMENT-FURNISHED
MATERIEL REQUISITIONS and RELATED TRANSACTIONS

C26.6.1. An SoS receiving GFM requisitions, requisition modifiers, passing orders, referral orders, requisition follow-ups, and requisition cancellations, regardless of the method of transmission, will process such transactions under GFM procedures. A SoS in receipt of GFM requisitions for items not managed by their activities will reject the requisitions with Status Code CH. The SoS will edit the GFM transactions for the prescribed data elements and codes and correct, continue processing actions, or provide the appropriate reject status.

C26.6.2. The SoS will validate all GFM transactions. The SoS in receipt of requisitions, passing orders, referral orders, requisition modifiers, or requisition follow-ups being treated as requisitions, containing a contractor's Service/Agency code under Appendix AP7.2, will perform the SoS/MCA validation process ~~except when the signal and fund codes indicate that the issue will be with contractor reimbursement by other than an Army contractor. All Army contractor requisitions and associated transactions will be processed under GFM/CFM controls.~~ (The SoS/MCA validation process is not required when an internal requisition transaction is received from a collocated MCA in the same ~~distribution~~ system. However, the SoS must have safeguards in place to ensure that only internal transactions generated by the collocated MCA are accepted/processed.)

C26.6.3. Under emergency conditions, the SoS may receive telephonic requisitions (PD 01-08) from the MCA or requisitioner. The SoS may process these requisitions for immediate supply action. Subsequent to taking immediate supply action, the ~~GFM~~ *MCA* validation process will be performed. If the ~~GFM~~ *MCA* Validation Response is not received within 15 days of the ~~GFM~~ *MCA* Validation Request or the advice code indicates that the transaction is not authorized, refer the incident to the appropriate criminal investigating agency.

C26.6.4. The SoS/MCA validation process is as follows:

C26.6.4.1. For each GFM requisition or transaction that is treated as a requisition, the SoS will employ one of the following options:

C26.6.4.1.1. Create and forward a*n* ~~GFM~~ *MCA* Validation Request to the MCA identified by RIC or distribution code in the requisitioner's transaction. If the MCA RIC and distribution code are not provided or invalid, reject with Status Code CL.

> *C26.6.4.1.1.1. If the requisitioner's transaction contains a distribution code but no MCA RIC, DLMS compliant sources of supply will use a DLMS enhancement to address the MCA Validation Request to Transaction Services. Transaction Services (RIC SGA) will be identified as the RIC-To.*
>
> *C26.6.4.1.1.2. Transaction Services will convert the Distribution Code to the appropriate RIC (or DoDAAC) for transmission to the MCA.*

C26.6.4.1.2. Create and forward a*n* ~~GFM~~ *MCA* Validation Request to ~~DLA~~ Transaction Services *regardless of* ~~even if an~~ MCA *RIC or distribution code* ~~is~~ *contained* in the

requisitioner's transaction. ~~DLA~~ Transaction Service*s* will perform edits regarding validity of the ~~MCA~~ data.

C26.6.4.1.3. Use a combination of the above options: one for intra-Component transactions and one for inter-Component transactions.

C26.6.4.2. Suspend further supply support action on the requisitioner's transaction pending receipt of the ~~GFM~~ *MCA* Validation Response or until 15 days have elapsed from the date of the ~~GFM~~ *MCA* Validation Request, whichever occurs first.

C26.6.4.3. If the ~~GFM~~ *MCA* Validation Response is not received and 15 days have elapsed, reject the requisitioner's transaction with Status Code DR.

C26.6.4.4. Upon receipt of the ~~GFM~~ *MCA* Validation Response, the SoS will process the suspended transaction using instructions provided by the advice or status code.

C26.6.4.4.1. If the Advice Code is 2U, reject with Status Code DB.

C26.6.4.4.2. If the Advice Code is 2R, process ~~for~~ the approved quantity indicated in the ~~GFM~~ *MCA* Validation Response. Reject the quantity difference between the suspended transaction and the ~~GFM~~ *MCA* Validation Response with Status Code DJ.

C26.6.4.4.3. If the Advice Code is 2Q, reject with Status Code DQ.

C26.6.4.4.4. If the Status Code is CL, reject with Status Code CL.

C26.6.4.4.5. If the Advice Code is 2V, reject with Status Code DN.

C26.6.4.4.6. If the Advice Code is 2M, process under applicable SoS procedures.

C26.6.4.4.7. If neither advice nor status code is provided or is invalid, reject with Status Code DR.

C26.6.4.5. If a*n* ~~GFM~~ *MCA* Validation Response is received~~,~~ and there is a record of the requisition, but a*n* ~~GFM~~ *MCA* Validation Request has not been submitted, discard the ~~GFM~~ *MCA* Validation Response and generate an ~~GFM~~ *MCA* Validation Request *to initiate the validation process*.

C26.6.4.6. If an ~~GFM~~ *MCA* Validation Response is received and there is no record of the requisition, generate a Supply Status with Status Code BF.

C26.6.5. Follow-ups will be processed to determine the current status of previously submitted requisitions or cancellation requests. Time standards for dispatching status in reply to follow-ups are as indicated in Chapter 4, Paragraph C4.7.20.1.

C26.6.6. Requisition/referral order image transactions provided to Transaction Services for visibility/record history must contain GFM/CFM contract data as applicable.

C26.7. <u>DEFENSE AUTOMATIC ADDRESSING SYSTEM PROCESSING OF
GOVERNMENT-FURNISHED MATERIEL TRANSACTIONS</u>

C26.7.1. DAAS will pass all GFM requisitions and related transactions to the identified
MCA using the MCA RIC or distribution code provided in the transaction. If the RIC and the
distribution code do not identify an established MCA, reject with Status Code CL.

C26.7.2. DAAS will pass all ~~GFM~~ *MCA* Validation Requests to the identified MCA using
the MCA RIC or distribution code provided in the transaction. If the MCA is invalid, generate
an ~~GFM~~ *MCA* Validation Response with Status Code CL to the SoS. ***If the MCA Validation
Request does not include the MCA RIC, DAAS will populate the MCA RIC (or DoDAAC)
based upon the distribution code and forward the transaction accordingly.***

C26.7.3. DAAS will pass all ~~GFM~~ *MCA* Validation Responses to the SoS.

C26.7.4. ~~DAAS Special Processing for DLA Energy.~~ [6] ~~DLA Transactions Services will
perform the GFM Validation Request/Response validation on behalf of DLA Energy for selected
requisitioning/bill-to activities and stock numbers in accordance with the following procedures:~~

~~C26.7.4.1. DLA Transaction Services will maintain a DLA Energy GFM Table that
identifies DLA Energy-established U-series contractor DoDAACs authorized to requisition
specified additive NSNs. The authorized DLA Energy point of contact will provide to DLA
Transaction Services the U-series DoDAAC/NSN combinations for the DLA Energy GFM
Table.~~

~~C26.7.4.2. DLA Energy-sponsored orders for GFM will specify DoDAAC SJ0630
(Americas East), SJ0606 (Americas West), SJ0629 (Middle East), SJ0601 (Europe), SJ0600
(Pacific) and SC0600 (DLA Energy for UC locations) as the requisitioner/bill-to activity. They
will contain a U-series DODAAC designated as the ship-to activity, and contain the applicable
contract number and the DLA Energy assigned MDN.~~

~~C26.7.4.3. DAAS will route requisitions and requisition related transactions (e.g.,
Requisition, Requisition Modification, Requisition Follow-Up, Referral Orders, and Passing
Orders) to the SoS for the NSN ordered, and the SoS will generate and transmit the GFM
Validation Request to DAAS.~~

~~C26.7.4.4. DAAS will capture any GFM Validation Requests containing DoDAAC
SJ0630, SJ0606, SJ0629, SJ0601, SJ0600 or SC0600 (for UC locations) as the requisitioner/bill-
to and a U-series DoDAAC as the ship-to and match it against the DLA Energy GFM Table. If a
table match is made by U-series DoDAAC and NSN, then DAAS will respond to the SoS with a
GFM Validation Response, with advice code 2M, indicating the order is authorized for
processing. If no match, DAAS will respond with a GFM Validation Response with Advice
Code 2V, indicating the order is not authorized for processing.~~

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[6] ~~Procedures for exception processing for GFM for packaged fuel additives managed by DLA last reported as a
delayed implementation by DLA. Refer to Approved DLMS Change (ADC) 211.~~

C26.7.4.5. The SoS will process the GFM Validation Response and either honor the order or reject the suspended transaction using Status Code DN, based on the advice code provided by DAAS.

C26.7.5. <u>DAAS Special Processing for Army</u>.[7,] *[8]* Pending implementation of MCA procedures in Army systems, ~~DLA~~ Transaction Services will assist the Army by performing the ~~GFM~~ *MCA* Validation Request/Response requirement for the Army wholesale MCAs and recording all transactions into a history file for eventual processing to the appropriate MCA using the following procedures:

C26.7.5.1. Process all Army contractor identified requisitions (MILSTRIP legacy DIC A0_) with the below listed first two positions of the DoDAAC in the document number or ship-to DoDAAC to the applicable Army MCA. Contractor requisitions with other than the DoDAAC entries indicated are considered Army retail and will be routed to the proper SoS with the DAAS RIC SGA or SHA identified as the MCA.

C26.7.5.1.1. If the first two positions of the document number or ship-to DoDAAC are CB, pass to RIC A81 (TACOM MCA)

C26.7.5.1.2. If the first two positions of the document number or ship-to DoDAAC are CL, pass to RIC A82 (AMCOM MCA).

C26.7.5.1.3. If the first two positions of the document number or ship-to DoDAAC are CG, pass to RIC A83 (CECOM MCA).

C26.7.5.1.4. If the first two positions of the document number or ship-to DoDAAC are CM, pass to RIC A84 (TACOM MCA)

C26.7.5.1.5. If the first two positions of the document number or ship-to DoDAAC area CK, pass to RIC A85 (TACOM MCA).

C26.7.5.1.6. If the first two positions of the document number or ship-to DoDAAC are CH, pass to RIC A86 (AMCOM MCA)

C26.7.5.2. For Requisition Modification and Requisition Follow-Up transactions containing a valid MCA distribution code as identified below, the DAAS RIC SGA or SHA will be entered into the MCA field and routed to the appropriate SoS. If a valid MCA is not identified and the transaction contains the entries cited above in the first two positions of the document number or ship-to DoDAAC, the transaction will be passed to the appropriate MCA. If none of these conditions apply, the transaction will be considered retail and be routed to the appropriate SoS with the DAAS RIC SGA or SHA entered into the MCA field. The following are valid MCA distribution codes:

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[7] Procedures to control access to DoD materiel inventories by defense contractors last reported as not implemented by USA (Retail). Refer to AMCL 1A.
[8] DAAS special processing for Army to be terminated upon full implementation of MCA validation. Refer to ADC 1123.

C26.7.5.2.1. I (India) - TACOM MCA

C26.7.5.2.2. L (Lima) - AMCOM MCA

C26.7.5.2.3. P (Papa) - CECOM MCA

C26.7.5.2.4. S (Sierra) - TACOM MCA

C26.7.5.2.5. Y (Yankee) - TACOM MCA

C26.7.5.2.6. E (Echo) - AMCOM MCA

C26.7.5.2.7. 8 (Eight) - USACEA MCA

C26.7.5.3. Upon receipt of a*n* ~~GFM~~ *MCA* Validation Request transaction, a*n* ~~GFM~~ *MCA* Validation Response transaction will be generated with Status Code 2M and returned to the RIC of the SoS submitting the ~~GFM~~ *MCA* Validation Request transaction.

C26.8. CONTRACTOR REQUISITIONS FOR CONTRACTOR-FURNISHED MATERIEL

C26.8.1. Requisitions for materiel from a Government SoS for shipment to contractors that identify the contractor as the bill-to activity are ~~not~~ subject to ~~GFM~~ MCA controls. *Pending full implementation by Services/Agencies, this requirement must be applied to Army contractor requisitions and may be applied to other Services/Agencies as this functionality is adopted within SoS systems.[9]* ~~to which MCA controls are applicable~~. DAAS will validate transactions for Army contractor requisitions of CFM for those items that contractors are authorized to requisition as CFM as specified in this chapter, and for non-wholesale level supply as designated by the contractor-series DoDAAC. *Pending full implementation of MCA validation for CFM,* DoD Components will establish appropriate procedures for oversight of CFM requisitions in accordance with the Federal Acquisition Regulation. *To support staggered implementation of full CFM validation, DoD Components authorizing CFM will advise contractors to construct requisitions using required data content comparable to GFM requisitions.[10]*

C26.8.2. DAAS Processing of CFM Transactions. The process described in this paragraph provides mandatory CFM controls for CFM requisitions where the bill-to activity, as identified in the requisition, is an Army contractor and the SoS is DLA. ~~This process is optional for other Services and may be expanded to include other SoS if needed~~. *Upon full implementation of MCA validation for CFM, the following special DAAS processing procedures will be terminated; CFM will be validated in the same manner as GFM.[11]*

C26.8.2.1. DAAS will maintain a list of Service/Agency authorized contractor DoDAACs and the associated NSNs/DoD-managed part numbers for which these contractors

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[9] *Staggered implementation authorized; refer to ADC 1123.*
[10] *CFM requisitions are required to have data content comparable to GFM requisitions by January 1, 2017. Refer to ADC 1123.*
[11] *Refer to ADC 1123.*

may submit CFM requisitions on a CFM Authorized Materiel Table for use in validating requisitions regardless of method of payment.

C26.8.2.2. CFM contractor transactions that match the CFM Authorized Materiel Table by DoDAAC, but do not match by NSN or part number will be rejected with Status Code CL; requisitions that match on DoDAAC and NSN/part number will be processed as valid.

C26.8.2.3. DAAS will enter the DAAS RIC SGA or SHA as the validating MCA.

C26.8.2.4. DAAS will perform the ~~GFM~~ *MCA* Validation Request/Response validation requirement for authorized CFM requisitions that match the CFM Authorized Materiel Table.

C26.8.2.5. DAAS will furnish CFM reports upon request for use by the contracting officer in verifying that quantities ordered are within the contract allowance.

C26.8.2.6. Army contractor requisitions that do not match the CFM Authorized Materiel Table will be processed by DAAS under the MCA waiver exception process or passed to the applicable MCA as described in C26.7.5.

C26.8.2.7. For DLA CFM, DAAS processing will be as identified in C26.8.3.

C26.8.2.8. CFM requisitions for other Service contractors will be passed to the appropriate SoS[12].

C26.8.2.9. NSNs listed in the CFM Authorized Materiel Table may be modified over the course of this agreement when the appropriate Army contracting officer provides such authority. Updates to the authorized list will be collected, consolidated into one Microsoft Excel file by the designated DLA Lead Center point of contact with proof of Army Contracting Officer concurrence and provided to Headquarters DLA Army Performance Based Logistics (PBL) action officer. DLA will coordinate updates to individual contractor lists with DLA DoD EMall and ~~DLA~~ Transaction Services on a monthly basis. To optimize program changes, all additions to Army partnership lists will be made during an agreed-to monthly timeframe between DLA and support entities.

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[12] *Staggered implementation is authorized for Service generation of outgoing requests for MCA validation for CFM. In order to support staggered implementation, Services must be able to respond to incoming requests for MCA validation beginning January 1, 2017. Refer to ADC 1123.*

C26.8.3.   ~~DLA~~ Transaction Services Processing of DLA CFM Transactions

~~C26.8.3.1.   DLA Transaction Services will maintain a DLA CFM Authorized DoDAAC Table listing DLA contractor DoDAACs authorized to requisition CFM. DLA Transaction Services will populate or delete DoDAACs to/from the table as directed by DLA. Requisitions identifying a DLA-assigned U-series contractor DoDAAC as the bill-to activity will be edited against this table.~~

~~C26.8.3.2.   DLA Transaction Services must edit all incoming Requisitions Passing Order, Referral Order, Requisition Modification, and Requisition Follow-Up transactions containing a U-series DoDAAC when identified as the bill-to activity against the DLA CFM Authorized DoDAAC Table.~~

~~C26.8.3.2.1.   If matched to the table, then DAAS will route/pass the transaction based on established DAAS rules to the appropriate SoS for further processing.~~

~~C26.8.3.2.2.   If the U-series bill-to DoDAAC does not match the table, then DAAS will reject the transaction using Status Code DB.~~

~~C26.8.3.3.   DLA Transaction Services will capture any GFM Validation Request transactions containing a DLA U-series DoDAAC identified as the bill-to DoDAAC and match it against the DLA CFM Authorized DoDAAC Table.~~

~~C26.8.3.3.1.   If the U-series bill-to-DoDAAC matches the table, then DAAS will respond with a GFM Validation Response transaction with Advice Code 2M indicating the requisition is authorized.~~

~~C26.8.3.3.2.   If the U-series bill-to-DoDAAC does not match the table, then DAAS will respond with a GFM Validation Response transaction with Advice Code 2U indicating the requisition is not authorized.~~

C26.8.3.1.   *Transaction Services is required to edit all incoming requisition, requisition modification, and requisition follow-up transactions containing a U-series contractor DoDAAC as the bill-to activity, to ensure the transaction contains a valid DLA MCA. If the transaction does not contain a valid DLA MCA, DAAS will reject the transaction using status code CL.*

C26.8.3.2.   *If the transaction contains a valid DLA MCA, DAAS will route/pass the transaction based upon established DAAS rules to the appropriate SoS for further processing.*

C26.9. PREPARATION OF DOD EMALL REQUISITIONS BY CONTRACTORS[13].

C26.9.1. Account Setup. Authorized contractors may establish DoD EMALL accounts to facilitate materiel requisition submissions. To register, go to https://dod.emall.dla.mil/ and click on "New User Registration". Access to DoD EMALL is fully Common Access Card (CAC)/Public Key Infrastructure (PKI) enforced. Details of the access requirements are listed on the registration pages of the EMALL site. Prior to establishing the account, the applicable contracting officer must ensure that the contractor is authorized access to Government supply sources and must agree to review monthly or quarterly reports prepared by the DoD EMALL monitoring contractor activity. The applicable contracting officer must also provide a list of approved NSN/part numbers associated with each account/contractor DoDAAC for Army authorized CFM. *Pending full implementation of MCA validation for CFM,* Army Contractors requisitioning *from DoD supply sources* will be processed under ~~GFM/CFM~~ *MCA validation* controls.

C26.9.2. Contractor GFM/CFM Validations. DoD EMALL will validate that contractors are authorized to purchase materiel from DoD supply sources as a prerequisite for submission of EMALL orders.

C26.9.2.1. DoD EMALL requisitions for GFM will be subjected to prescribed rules for MCA controls within DoD EMALL or within DAAS.

C26.9.2.2. DoD EMALL CFM requisitions indicating corporate credit card method of payment are subject to special processing controls as described in C26.9.~~2~~*3*.

C26.9.2.3. Additionally, CFM requisitions for Army authorized contractors will be validated to ensure that requisitioned NSNs or DoD managed part numbers are authorized regardless of the method of payment under CFM controls.

C26.9.3. Corporate Credit Card Usage.

C26.9.3.1. The DoD EMALL program office will identify to ~~DLA~~ Transaction Services all contractors authorized access to Government materiel for purchase as CFM using a corporate credit card as the method of payment.

C26.9.3.2. DAAS will maintain these DoDAACs as an authorized contractor edit table (referenced hereafter as the DoD EMALL CFM Table) to be employed during initial processing and for ~~GFM~~ *MCA* Validation Request processing.

C26.9.4. Corporate Credit Card CFM Purchases and DAAS Processing. DoD EMALL requisitions for shipment to contractors using corporate credit card payment are assigned Signal Code B, Fund Code XP, and the ship-to DoDAAC perpetuated to the supplementary address of the DoD EMALL DoDAAC (~~SP5200 or~~ SC4210). This configuration identifies a Government

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[13] *Special processing unique to validation of contractor requisitions submitted via DoD EMALL will be terminated upon full implementation of MCA validation. Staggered implementation authorized. Refer to ADC 1123.*

DoDAAC as the bill-to activity, thereby triggering DAAS and the DoD Component SoS processing systems to misinterpret such transactions as GFM requisitions.

C26.9.4.1. DAAS will validate these transactions against existing GFM edits and the DoD EMALL CFM Table to determine appropriate action.

C26.9.4.2. If the contractor requisition does not contain a valid MCA identification code and the DoDAAC is not listed in the DoD EMALL CFM Table, DAAS will reject with Status Code CL.

C26.9.4.3. If an MCA is identified by either a distribution code or a RIC, DAAS will forward the requisition to the SoS.

C26.9.4.3.1. The SoS will submit a*n* ~~GFM~~ *MCA* Validation Request to DAAS for validation following GFM MCA procedures (including Army CFM).

C26.9.4.3.2. DAAS will recognize the EMALL supplementary address and again employ existing GFM edits and the DoD EMALL CFM Table to take appropriate action.

C26.9.4.3.3. If the validation using the DoD EMALL CFM Table identifies the contractor DoDAAC as authorized by the contracting officer for ordering CFM using corporate credit cards, then ~~DLA~~ Transaction Services will validate the requisition and respond to the SoS with a*n* ~~GFM~~ *MCA* Validation Response using Advice Code 2M indicating that the requisition is valid. The SoS will continue processing.

C26.9.4.3.4. If the contractor DoDAAC is not contained on the DoD EMALL CFM Table, but the requisition contains a valid MCA code, then ~~DLA~~ Transaction Services will forward the ~~GFM~~ *MCA* Validation Request to the MCA for validation.

C26.9.4.3.5. If the contractor DoDAAC is not contained on the DoD EMALL CFM Table or does not match the CFM Authorized Materiel Table, when applicable, and the requisition does not contain a valid MCA code, then DAAS will provide a*n* ~~GFM~~ *MCA* Validation Response with Status Code CL indicating that the transaction is invalid. The SoS will reject the requisition.

C26.9.4.4. For DLA contractor credit card purchases (identified by a DLA-assigned U-series DoDAAC in the document number), DAAS processing rules will be as described in this paragraph, except that the requisition will be validated ~~based upon the requisitioner DoDAAC matching to the DLA CFM Authorized DoDAAC Table~~ *against the DLA ICP MCA Table.*

C26.9.5. DOD EMALL Reports. To support DoD requirements for oversight of materiel sold to contractors, the DoD EMALL program office will provide reports to monitor contractor activity. For contracts having a maximum total dollar ceiling, a DoD EMALL report will be provided to the contracting officer when the cumulative value of CFM ordered reaches 80 percent of the ceiling.

C26.10. <u>INVENTORY CONTROL POINT/INTEGRATED MATERIEL MANAGER-DIRECTED SHIPMENT OF NON-REQUISITIONED GOVERNMENT FURNISHED MATERIEL BASED ON A BILL OF MATERIEL</u>.

C26.10.1. ICP/integrated materiel manager (IMM)-directed shipments of GFM may be managed through the use of a bill of materiel (BOM) as identified under the terms of the DoD contract. In this context, the BOM identifies the raw materials/component parts needed to assemble/manufacture/repair the end item or final product. Based on the unit of allowance, the number/amount of GFM component materiel needed to accommodate the total number of end items to be manufactured/assembled/repaired on a specific contract/purchase order may be calculated and provided. This procedure eliminates the need for separate GFM requisitions for the component materiel and subsequent MILSTRIP MCA validation. Instead, this process allows the ICP/IMM to push the materiel to the contractor as required by schedule and/or usage.

C26.10.2. Upon contract award for production of an end item or final product, the BOM becomes the basis for determining the quantity of GFM required by the contractor. These deliveries will only include stocked raw material/component parts that the Government provides at no separate charge to the contractor for assembly/manufacture of the end item/final product. Under this process, the ICP/IMM will use internal control procedures to monitor consumption of raw material/component parts against the receipt of items awarded by contract.

C26.10.3. The ICP/IMM will prepare materiel release orders for stock shipment using document numbers based upon a DLA-established DoDAAC. The ship-to location cited in the release order will identify the contractor DoDAAC authorized to receive GFM. Under DLMS processing, the Materiel Release Order will include the authorizing contract number, and the call/order and CLIN, when applicable; this is not applicable to MILSTRIP legacy processing. The storage activity will provide shipment confirmation to the ICP/IMM for monitoring GFM shipments and will prepare shipment status; under DLMS processing, the shipment status will perpetuate applicable contract data. For contractors without capability to accept legacy 80 record position/DLMS transactions, status of the GFM component delivery will be provided upon request by the contractor. The assembled/manufactured end items may be shipped directly to customers or shipped to a storage location for future use.

C26.10.4. Use of the above business process does not relieve the ICP/IMM from management reporting requirements required by DoDM 4140.01, DoD Supply Chain Materiel Management Procedures. Materiel Receipt Acknowledgement is required for GFM, including pushed shipments, under <u>MILSTRAP</u> procedures.

C26.10.5. This process is discretionary and may not be applicable to all commodities and contracts requiring GFM. This process may only be used to support GFM requirements satisfied by the DoD Component issuing the contract (that is, by design, it does not support inter-Component materiel support).

Enclosure 3, DLMS IC Revisions

IC revisions to the DLMS 511R, 511M, and 869F were identified subsequent to original staffing of PDC 1123.

Item #	Location	DLMS 511M Requisition Modification	Reason
1.	DLMS Introductory Notes	Add ADC 1123 to DLMS Introductory Notes: *- ADC 1123, Revised Procedures for Management Control Activity (MCA) Validation of Government Furnished Material (GFM)/Contractor Furnished Material (CFM) Requisitions and Contractor DoDAAC Assignment*	Identifies DLMS changes included in the DLMS IC.
2.	1/N101/70	Revise DLMS Notes with existing Qualifiers GP and Z5. **GP Gateway Provider** **DLMS Note:** ~~Future streamlined data needed~~ *Use* for transition period to support transaction conversion in a mixed legacy MILSTRIP/DLMS environment. Use to identify ~~DAASC~~ *Transaction Services* as originator during conversion when legacy MILSTRIP transaction does not contain a "From" organization. **Z5 Management Control Activity** **DLMS Note:** *1.* Use ~~only~~ in mass modifications to identify the MCA for all Government Furnished Materiel (GFM) transactions. *2. Use in GFM or CFM requisition modifications forwarded to the source of supply by the MCA.*	Administrative update. Expands note to address MCA transmission of GFM or CFM requisitions.
3.	2/N101/180	Revise DLMS note for existing Qualifier Z5: **Z5 Management Control Activity** **DLMS Note:** Use for ~~all~~ GFM ~~and~~ *or CFM* requisitions.	Updates usage for CFM.

Item #	Location	DLMS 511R Requisition	Reason
1.	DLMS Introductory Notes	Add ADC 1123 to DLMS Introductory Notes: *- ADC 1123, Revised Procedures for Management Control Activity (MCA) Validation of Government Furnished Material (GFM)/Contractor Furnished Material (CFM) Requisitions and Contractor DoDAAC Assignment*	Identifies DLMS changes included in the DLMS IC.
2.	1/N101/70	Revise DLMS Notes with existing Codes GP and Z5. **GP Gateway Provider** **DLMS Note:** ~~Future streamlined data needed~~ *Use* for transition period to support transaction conversion in a mixed legacy MILSTRIP/DLMS environment. Use to identify ~~DAASC~~ *Transaction Services* as originator during conversion when legacy MILSTRIP transaction does not contain a "From" organization.	Administrative update.

Item #	Location	DLMS 511R Requisition	Reason
		Z5 Management Control Activity **DLMS Note:** Use to identify the MCA after validating GFM *or CFM* transactions.	Updates usage for CFM.
3.	2/N101/180	Revise DLMS Note with existing Code Z5. **Z5 Management Control Activity** **DLMS Note:** 1. Use for submission of ~~all~~ GFM *or CFM* requisitions.	Expands note to address MCA transmission of GFM or CFM requisitions.

Item #	Location	DLMS 869F Requisition Follow-up	Reason
1.	DLMS Introductory Notes	Add ADC 1123 to DLMS Introductory Notes: - *ADC 1123, Revised Procedures for Management Control Activity (MCA) Validation of Government Furnished Material (GFM)/Contractor Furnished Material (CFM) Requisitions and Contractor DoDAAC Assignment*	Identifies DLMS changes included in the DLMS IC.
2.	2/N101/110	Revise DLMS Note with existing Qualifier Z5: **Z5 Management Control Activity** **DLMS Note:** Use for submission of ~~all~~ GFM *and CFM* transactions.	Updates usage for CFM.

Item #	Location	DLMS 517G Management Control Activity Validation	Reason
1.	Header	Revise the name of the IC as shown: DLMS Implementation Convention (IC) 517G ~~Government Furnished Materiel (GFM)~~ *Management Control Activity (MCA)* Validation	Revise IC name to better harmonize with expanded requirements.
2.	DLMS Introductory Notes	Move Federal Note down to DLMS Note level and merge with DLMS Note 1. Delete Federal Note 2. 1. Use a single occurrence of this transaction set to exchange ~~single or multiple GFM~~ *MCA* validation *action*s ~~either~~ between a requisitioner, ~~single supply~~ source *of supply* and ~~a single or multiple MCAs or between a single~~ MCA ~~and a single or multiple supply sources~~. Supply sources use this transaction set to request the validation of Government Furnished Materiel (GFM) requisitions received from a commercial contractor *or the sponsoring Service/Agency for shipment to contractor*. *Additionally, supply sources use this transaction set to request the validation of Contractor Furnished Materiel (CFM) requisitions received from a commercial contractor.* ~~Management Control Activities (~~MCAs~~)~~ use this transaction set to respond to ~~GFM~~ validation requests.	Administrative update to transition away from the reliance on a Federal IC and to adopt the revised transaction name. Administrative update to support expanded requirement.
3.	DLMS Introductory Notes	Add ADC 1123 to DLMS Introductory Notes: *- ADC 1123, Revised Procedures for Management Control Activity (MCA) Validation of Government Furnished Material (GFM)/Contractor Furnished Material (CFM) Requisitions and Contractor DoDAAC Assignment*	Identifies DLMS changes included in the DLMS IC.
4.	1/ST02/10	Move Federal Note to DLMS Note level retaining current wording.	Administrative update.
5.	1/BR02/20	Revise DLMS Notes associated with existing Codes GA and GI: **GA Government Furnished Material Inquiry Advice** **DLMS Note:** Use to respond to a~~n~~ ~~GFM~~ *MCA* validation inquiry. **GI Government Furnished Material Inquiry** **DLMS Note:** Use to request the validation of GFM *and CFM* requisitions.	Update to adopt the revised transaction name and functionality.
6.	1/BR03/20 and 1/BR09/20	Move Federal Notes to DLMS Notes level retaining current wording.	Administrative update.
7.	1/N1/60	Move Federal Note to DLMS Note level retaining current wording.	Administrative update.
8.	1/N101/60	Remove Federal and DLMS Notes.	Administrative update.

9.	2/N103/180	Remove Qualifiers 1 and 9 and associated DLMS notes: ~~1 D-U-N-S Number, Dun & Bradstreet~~ ~~**DLMS Note:** *DLMS enhancement; see introductory DLMS note 3a.*~~ ~~9 D-U-N-S+4, D-U-N-S Number with Four Character Suffix~~ ~~**DLMS Note:** *DLMS enhancement; see introductory DLMS note 3a.*~~	Removes obsolete codes and notes. There are no current or future plans to employ the DUNS number for identification of the MCA or ICP.
10.	2/QTY/10	Revise segment level DLMS Note as shown: **DLMS Note:** Must use this 2/QTY/010 loop to identify the individual ~~GFM~~ transactions and associated quantities.	Administrative update to support expanded requirement.
11.	2/QTY01/10	Revise DLMS Notes associated with existing Code QC: **QC Quantity Disapproved** **DLMS Note:** Use for validation advice transactions to disapprove the entire quantity cited in the ~~GFM~~ validation inquiry. Use with Advice Code 2Q.	Administrative update to support expanded requirement.
12.	2/G6201/40	Revise DLMS Notes associated with existing Code BB and BE: **BB Transaction Control Date** **DLMS Note:** Use to indicate the ~~GFM~~ validation request date. **BE Validated** **DLMS Note:** Use to indicate validation or rejected by date on the ~~GFM~~ validation response	Administrative update to support expanded requirement.
13.	2/GF/60	Revise segment level DLMS Note as shown: **DLMS Note:** ~~1.~~ Must use to provide contract information applicable to the procurement source under which the contractor is authorized to receive GFP or CFM. ~~2. May be used to provide contract information applicable to the procurement source under which the contractor is authorized to purchase from a Government source when directed by the authorizing Service/Agency under CFM procedures.~~	Administrative update to support expanded requirement.
14.	2/GF03/60	Revise DLMS Notes associated with existing data element: **DLMS Note:** 1. Must use to identify the contract number ~~for GFP~~. 2. *MCA validation for GFM and CFM requisitions is required under DLMS procedures. Refer to ADC 1123. Pending full implementation, u*se as directed by the authorizing Service to identify the contract number authorizing the contractor to purchase materiel from a Government source of supply. 3. Fully compliant DLMS applications must support identification of the DFARS contract number, rather than the abridged contract number authorized for legacy MILSTRIP. Refer to ADC 1014.	Provides updated guidance to support expanded requirement.

15.	2/LM/70 and 2/LQ/80	Move Federal Notes to DLMS Notes level retaining current wording.	Administrative update.
16.	2/LQ01/80	Remove DLMS Note from existing Codes AK and DE: **AK Distribution Code** ~~DLMS Note:~~ ~~Future streamlined data; see introductory DLMS note 3c.~~ **DE Signal Code** ~~DLMS Note:~~ ~~Future streamlined data; see introductory DLMS note 3c.~~	Removes obsolete note. There are no current or future plans to remove the Distribution code or Signal Code from this transaction.
17.	2/N1/90	Move Federal Note to DLMS Note level retaining current wording. Add new Qualifier GP and associated DLMS note: **GP Gateway Provider** **DLMS Note:** *Use to identify Transaction Services (RIC SGA) as the organization to receive the transaction when submitting an MCA Validation Request from the SoS to the MCA and routing to the MCA by Distribution Code is required. Transaction Services will convert the Distribution Code to the MCA RIC (or DoDAAC) and forward the transaction to the MCA. Refer to ADC 1123.*	Administrative update. Corrects gap in functionality for routing MCA Validation Requests by distribution code. This requires submission to DAAS for conversion to an MCA RIC (or DoDAAC) and subsequent transmission to the MCA.
18.	2/N103/90	Remove Code and associated notes as shown: ~~1 D-U-N-S Number, Dun & Bradstreet~~ ~~DLMS Note:~~ ~~DLMS enhancement; see introductory DLMS note 3a.~~ ~~9 D-U-N-S+4, D-U-N-S Number with Four Character Suffix~~ ~~DLMS Note:~~ ~~DLMS enhancement; see introductory DLMS note 3a.~~	Removes obsolete codes and notes. There are no current or future plans to employ the DUNS number for identification of the MCA or ICP.
19.	2/FA2/136	Move Federal Note to DLMS Note level retaining current wording.	Administrative update.
20.	2/FA201/136	Remove existing Codes I1 and L1 and associated DLMS Note: ~~I1 Abbreviated Department of Defense (DoD) Budget and Accounting Classification Code (BACC)~~ ~~L1 Accounting Installation Number~~ ~~Federal:~~ ~~Use to indicate the Authorization Accounting Authority (AAA)/Accounting and Disbursing Station Number (ADSN)/Fiscal Station Number (FSN).~~	Removes unused enhancement (conflicts with standard line of accounting (SLOA) data mapping).
21.	2/SE02/140	Move Federal Note to DLMS Note level retaining current wording.	Administrative update.

Enclosure 4, Transaction Services Validation Rules

This enclosure provides details on specific Transaction Services Defense Automatic Addressing System (DAAS) edits for GFM/CFM requisitions referenced in this change.

Staffing Note: In order to implement this change, Components must work with Transaction Services to ensure removal of any additional Service/Agency specific edits for requisitions associated with GFM/CFM that result in bypassing full MCA validation.

Defense Micro-Automated Routing System (DMARS) Edit Tables:

- ADC 211 NSN and ADC 211 DoDAAC
- Non-Credit Card NSN
- EMALL CFM
- DLA Authorized DoDAAC CFM (no graphical user interface)

Exception Processing for GFM for Packaged Fuel Additives Managed by DLA (ADC 211 NSN and ADC 211 DoDAAC Table) **(To be removed when ADC 1123 is implemented)**

Purpose: The DLA Enterprise Business System (EBS) does not support MCA functionality to monitor and approve or disapprove contractor orders. This process allows Transaction Services to act as the MCA for EBS. This consists of 2 tables labeled "ADC 211 NSN" and "ADC 211 DoDAAC" which are provided by DLA as approved NSNs and DoDAACs for this process.

The logic to use the tables is:

1. If rp1-2 = A0/AM/AT/A3/A4 - AND -
    rp 8-20 = one of the NSNs listed on ADC 211 NSNs table - AND -
    rp 30-35 = SJ0630, SJ0606, SJ0629, SJ0601, SJ0600, SC0600 - AND -
    rp 45-50 = one of the DoDAACs listed on ADC211 DoDAACs table - AND -
    rp 51 = J - AND rp 54 = F

Then route to SOS for NSN in rp 8-20. If the NSN in rp 8-20 is not on the ADC 211 NSNs table, reject with reason code "NSN NOT AUTHORIZED FOR GFM". If the DoDAAC in rp 45-50 is not on the ADC 211 DoDAACs table, reject with reason code "SUPP ADDRS NOT AUTHORIZED FOR GFM".

 2. If rp1-3 = AX1 - AND -
    rp 8-20 = one of the NSNs listed on ADC 211 NSNs table - AND -
    rp 30-35 = SJ0630, SJ0606, SJ0629, SJ0601, SJ0600, SC0600 - AND -
    rp 45-50 = one of the DoDAACs listed on ADC211 DoDAACs table - AND
    rp 51 = J - AND rp 54 = F

Then create AX2 transaction with a 2M advice code in rp 65-66. Otherwise, create an AX2 transaction with a 2V advice code in rp 65-66.

Non-Credit Card NSN (ADC 209 Army CFM) **(Retained pending DoD-wide implementation of ADC 1123)**

Purpose: At the Supply PRC meeting 10-12 Sep, a representative from the DOD EMALL office requested special processing of DOD EMALL requisitions for CFM using corporate credit cards as the means of payment. The Supply PRC members approved development of a new edit table at DAAS that would allow for verification of authorized CFM contractors and use existing GFM

processing techniques to handle the transactions. Edits are currently in place to allow contractors to order materiel via the DOD EMALL using corporate credit cards and via the DOD EMALL with the bill going directly to the contractor for Performance-Based Logistics (PBL) contracts. DLA HQs has requested an additional check be added to control the NSNs ordered under PBL contracts.

The logic to use this table:

This logic must precede the GFM logic for each of the services, DLA, Coast Guard, and other.

If rp 1-3 = A01/A, AM1/A, AT1/A, or A05/E with YRZ and rp 30 = C and rp 51 = "A" and rp 52-53 = "XP" and input xref 003004 (RUQAHNQ - DOD EMALL), 005073 (RUQABXC - EMALL X12), or 013191 (RUQAARA - MOES) then check to see if rp 30-35 is on the Non-Credit Card EMALL CFM Table. If rp 30-35 is on the table, check to see if rp 8-20 is on the Non-Credit Card EMALL NSN Table established for the specific DoDAAC contained in rp 30-35. If rp 30-35 is on the Non-Credit Card EMALL CFM Table and rp 8-20 is on the Non-Credit Card EMALL NSN Table established for the specific DoDAAC contained in rp 30-35, then insert "SGA/SHA" in rp 74-76 and route the requisition according to normal routing logic. If rp 30-35 is not on the Non-Credit Card EMALL CFM Table, reject with reject code "ADDR REQNR RP 30-35 NOT AUTHORIZED FOR EMALL CFM PROCESSING". If rp 30-35 is on the Non-Credit Card EMALL CFM Table and rp 8-20 is not on the Non-Credit Card EMALL NSN Table established for the specific DoDAAC contained in rp 30-35, reject with reject code "NIIN RP 12-20 NOT AUTHORIZED FOR EMALL CFM PROCESSING".

EMALL CFM (ADC 82) **(Remove U DoDAACs from table when ADC 1123 implemented; procedures retained pending DoD-wide implementation of ADC 1123)**

Purpose: This table is used for validation of contractor orders for materiel from the Government supply sources using DOD EMALL and payment by government purchase/corporate credit card. These procedures are intended for requisitions for contractor-furnished (CFM) paid by corporate credit card. The new table will be referred to as the "DOD EMALL CFM Table".

The logic to use on the table:

 1) If rp 1-3 = A01/A, AM1/A, AT1/A, or A05/E with YRZ and
rp 45-50 = "SC4210" and
rp 51 = "B" and
RP 52-53 = "XP", then check to see if rp 30-35 is on the DOD EMALL CFM Table.
If rp-30-35 is on the table, then insert "SGA/SHA" in rp 74-76 and route the requisition according to normal routing logic.
If rp 30-35 is not on the table, follow normal GFM processing rules.

 2) If rp 1-3 = "AX1"
and rp 74-76 DOES NOT EQUAL "SGA/SHA", then perform the checks above.
If all the above conditions are met, then change rp 3 to "2", insert "2M" in rp 65-66 and "SGA/SHA" in rp 74-76 and process using normal AX2 logic.
Terminate the AX1.

DLA Authorized DoDAAC CFM (ADC 1006)* (To be removed when ADC 1123 implemented)

Purpose: At the direction of Defense Logistics Management Standards Office and HQ J-33, under ADC 1006, Transaction Services established a DLA Authorized CFM DoDAAC Table to be used for validation of authorized DLA contractors identified as the bill-to DoDAAC on requisitions. Designated DLA representatives will notify Transaction Services of updates to add/remove DoDAACs from the table. The table is used for initial validation of CFM requisitions submitted by DLA contractors for CFM. Requisitions identifying a bill-to activity with a U-series DoDAAC not contained on the table will be rejected with Supply Status Code DB, "Rejected. No valid contract registered at MCA."

Part 1:
IF   rp 1-3 =
A01/A/2/B/4/D/5/E,
AM1/A/2/B/4/D/5/E,
AT1/A/2/B/4/D/5/E,
A31/A/2/B/4/D/5/E,
A41/A/2/B/4/D/5/E

AND   rp 30 = U
AND   rp 51 = A, J

OR IF rp 45 = U
AND   rp 51 = B or K

THEN check if bill-to DoDAAC is on the DLA CFM Authorized DoDAAC Table,

IF DoDAAC is on the table, insert "SGA" or "SHA" in rp 74-76, and route to RIC_TO SMS (rp4-6)'; if DoDAAC NOT on table, then reject with AE9 Supply Status Code DB

Part 2:

IF   rp 1-3 = AX1
AND   rp 30 = U
AND   rp 51 = A, J

OR IF rp 45 = U
AND   rp 51 = B or K

THEN check if the bill-to DoDAAC is on the DLA CFM Authorized DoDAAC table

IF DoDAAC is on the table, then generate an AX2 transaction with Advice Code 2M in rp 65-66; if DoDAAC NOT on table, then generate an AX2 transaction with Advice Code 2U in rp 65-66.

* DLA Contractor DoDAACs UY9277, UY9278, UY9279 and UY0884 are currently on this table.