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April 16, 2017

**MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS**

**SUBJECT: Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1179, Automatic Disposal Procedures for Materiel Managed under Obsolete DLA Supply Center Routing Identifier Codes (RICs) (Supply)**

The attached change to DLM 4000.25, Defense Logistics Management Standards, and DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP), is approved for implementation within 12 months of the date of this approved change.

Addressees may direct questions to Mr. Rafael Gonzalez, email: [Rafael.Gonzalez@dla.mil](mailto:Rafael.Gonzalez@dla.mil); or [DLMSSTR@dla.mil](mailto:DLMSSTR@dla.mil), Ms. Ellen Hilert, DOD MILSTRIP and Supply Discrepancy Report (SDR) System Administrator, e-mail: [ellen.hilert@dla.mil](mailto:ellen.hilert@dla.mil); or Mr. Ben Breen, SDR Alternate, e-mail [benjamin.breen@dla.mil](mailto:benjamin.breen@dla.mil). Others may direct questions to their Service or Agency designated Supply PRC representative available at [www.dlmsdla.mil/eLibrary/ServicePoints/allpoc.asp](http://www.dlmsdla.mil/eLibrary/ServicePoints/allpoc.asp).

**HEIDI M. DAVEREDE**  
Program Manager  
Enterprise Business Standards Office

Attachment  
As stated

cc:  
ODASD (SCI)  
DLA SDR PRC members

# Attachment to ADC 1179

## Automatic Disposal Procedures for Materiel Managed under Obsolete DLA Supply Center Routing Identifier Codes (RICs)

### 1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. **Functional POC:** DLA Distribution, Joseph Rutkowski, DLA Distribution J4 Receiving BPA, 717-770-6946 (DSN 771)

b. **Technical POC:** DLMS Program Office, Rafael Gonzalez 717-770-6817; Ellen Hilert DSN: 703-767-0676

### 2. FUNCTIONAL AREA:

a. **Primary/Secondary Functional Area:** Supply

b. **Primary/Secondary Functional Process:** Receiving/Disposal/Supply Discrepancy Report (SDR)

### 3. REFERENCES:

a. [ADC 1022](#), Procedures for Processing Depot Returns (Including Receipt, SDR and Revisions to Time Standard for reclassification of Supply Condition Code J and K assets), dated October 19, 2012

b. [ADC 1022A](#), Procedures for Processing Depot Returns - Revised Exclusions from Automatic Disposal Procedures, dated September 04, 2014

c. [Defense Logistics Manual \(DLM\) 4000.25-2](#), Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP)

d. [DLM 4000.25](#), Defense Logistics Management System, Volume 2, Supply Standards and Procedures Chapter 13

e. [DLM 4000.25-1](#), Military Standard Requisitioning and Issue Procedures (MILSTRIP)

f. [DLM 4000.25](#), Defense Logistics Management System, Volume 4, Military Standard Billing System (MILSBILLS)

4. **REQUESTED CHANGE(S):** Green highlighting identifies significant revisions/clarification of procedures subsequent to PDC staffing.

a. **Brief Overview of Change:** This change revise receipt and disposal procedures to authorize automatic disposal at DLA Distribution Centers during receipt of returned materiel previously managed under now obsolete DLA Routing Identifier Codes (RIC) (S9\_).

**b. Background:**

(1) DLA consolidated all active national item identification numbers (NIIN) managed by legacy DLA Supply Chains under S9\_ RICs into the DLA single item manager RIC SMS. DLA initiated catalog updates in the Federal Logistics Information Service (FLIS) and associated logistic reassignments in conjunction with DLA modernization under a consolidated enterprise resource planning system. Inactive NIINs were never migrated to the SMS RIC and on February 2, 2008, DLA authorized the disposal of all undocumented materiel identified as DLA managed in FLIS and having a RIC beginning with S9.

(2) DOD Components continue to ship inactive on-hand NIINs to DLA Distribution without proper authorization, while failing to provide a valid prepositioned materiel receipt (PMR) to DLA Distribution sites. Inducting unauthorized returns under S9\_ RICs into the Distribution Standard System (DSS) triggers submission of a receipt transaction the owner. This receipt results in an internal Enterprise Business System (EBS) iDOC (internal intermediate document) failure for the receipt transaction and requires manual intervention to research and resolve. These S9\_ RICs (now inactive) cannot hold inventory and there is no Material Master Record in EBS to enable the system to create a disposal order. As a result, DLA must manually create a disposal action via DSS. Once DLA creates the disposal action, it remains in the disposal workload bank until dropped/worked by the distribution center.

(3) Current procedures also result in SDRs that EBS cannot process systemically; WebSDR must convert these SDRs and email them to DLA. DLA must process any of these SDRs requiring disposition instructions manually. Otherwise, the SDR action will remain open in DSS and the WebSDR database.

(4) This DLMS change leverages automatic disposal procedures originally approved under ADC 1022 (Reference 3.a.) and ADC 1022A (Reference 3.b.).

**c. Requested Change in Detail:** DLA Distribution Centers will apply automatic disposal procedures during receipt of returned materiel previously managed under obsolete DLA Routing Identifier Codes (RIC) (S9\_) for which there is no PMR. The following new procedures apply.

(1) DLA Distribution will establish screening criteria for use during distribution center receipt processing to facilitate automatic disposal of materiel regardless of the condition of the item received by DLA Distribution for the following owner RICs: S9C, S9E, S9G, S9I, and S9T. DLA Distribution must employ the current FLIS information for identification of the S9\_ manager RIC.

(2) DLA Distribution receipt of S9\_ materiel will be subject to MILSTRAP automatic disposal exemption criteria, including selected controlled inventory item codes, demilitarization codes, and radioactive water type cargo codes established under DLMS, Volume 2, Chapter 13 (Reference 3.d.).

(3) When automatic disposal action is taken, the distribution center will cite Supply Condition Code (SCC) H (Unserviceable (Condemned)) and Management Code M (excludes shelf-life materiel) or Management Code T (expired shelf-life materiel),

(4) DLA Distribution Centers will generate informational SDRs for corrective action and trend analysis using Action Code 3B. The SDR will identify Discrepancy Code Z1 (see remarks), Z3 (no PMR), and any other applicable discrepancy code. SDR remarks will state, "Unauthorized return; materiel processed under DLA automatic disposal procedures for obsolete materiel. No further action required." The distribution center will direct the action copy to the S9\_RIC and an information copy to the returning activity (based upon the DoDAAC in the document number or shipping documentation).

(5) DSS will automatically trigger creation of a Disposal Release Order (DLMS 940R/Legacy MILSTRIP Document Identifier Code (DIC) A5J) (Reference 3.e.) for internal DSS use. DSS will generate a Disposal Release Confirmation (DLMS 945A/legacy MILSTRIP DIC ARJ) signaling completion of the disposal action. DSS will generate Shipment Status for shipment to DLA Disposition Services Field Office or Recycling Control Point (RCP) under standard MILSTRIP procedures.

(6) DSS will suppress outbound transmission of the Receipt (DLMS 527R/legacy MILSTRAP DIC D6\_) and subsequent Disposal Release Order/Confirmation associated with the automatic disposal of obsolete S9\_ managed materiel. This will prevent internal EBS iDOC failures and unnecessary manual intervention. Only Shipment Status and SDR transactions will exit.

(7) WebSDR will convert SDR transaction directed to DLA to email based upon the S9\_ RIC as action activity. DLA should archive these without further action.

(8) DLA may pursue recoupment for disposal costs from the returning activity as authorized under MILSBILLS (Reference 3.f.).

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

(1) Revise DLM 4000.25-2, MILSTRAP, Chapter 4, Receipt and Due-In, as shown in the enclosure.

(2) Revise DLM 4000.25, DLMS, Volume 2, Chapter 13, Materiel Receipt as shown in the enclosure.

(3) Revise DLM 4000.25, DLMS Volume 2, Chapter 17, Supply Discrepancy Reporting, as shown in the enclosure.

(4) Revise DLM 4000.25, DLMS Volume 2, Appendix 7.28, Supply Discrepancy Report Relevant Data Elements, existing Discrepancy Code Z3 as follows:

"Z3 Distribution center receipt not due-in; *no prepositioned materiel receipt (PMR).*"

**5. REASON FOR CHANGE:** When DLA Distribution Centers process receipts for unauthorized returns under the obsolete RICs S9\_, the materiel is not visible in EBS, resulting in manual remediation. This change will allow the automatic disposal of materiel under obsolete S9\_ RIC eliminating manual effort and the need for storage.

## 6. ADVANTAGES AND DISADVANTAGES:

a. **Advantages:** Updates to MILSTRAP and DLMS procedures will allow proper disposal of items under obsolete RICs, increase the available warehouse square footage, and eliminate the need for a manual process. This systematic solution will allow DLA Distribution to comply with Audit Readiness. Additionally, automatic suppression of receipt and outbound disposal transactions by DSS prevents a failed iDOC in EBS.

b. **Disadvantages:** There are no known disadvantages.

7. **ADDITIONAL COMMENTS TO CONSIDER:** Services must enforce the use of the MILSTRIP Materiel Returns Program (MRP), rather than returning materiel to DLA without authorization. The returning Service could avoid the expense of shipping obsolete materiel to distribution centers by observing MRP procedures. Additionally, under MILLSBILLS procedures, DLA may hold the returning activity accountable for disposal costs.

8. **ESTIMATED TIME LINE/IMPLEMENTATION TARGET:** The goal is to implement within 12 months of the date of this approved change.

9. **ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE:** On average, the Distribution Chain processes 400 receipts a month for obsolete DLA Owner RICs. This change will eliminate the storage, manual disposal, and processing 400 receipts. Cost avoidance is based on past staffing:

- Disposal Report Creation – GS12 1 hour/month
- 400 Receipts = 8 Receipts s/hr. = 50 Man Hours = 1/3 FTE per month
- 400 Disposal Tickets Manually Created (GS12) = 67 hours/month = 2/5 FTE per month
- 400 Picks = 8 Picks/hr. = 50 Man Hours = 1/3 FTE per month
- Total cost avoidance = \$65,000 - \$100,000 annually

## 10. IMPACT:

a. **New DLMS Data Elements:** There are no new DLMS data elements.

b. **Changes to DLMS Data Elements:** Minor revision to Discrepancy Code Z3 explanation as shown above.

c. **Automated Information Systems (AIS):** DLA Distribution should update DSS for automatic disposal process as described in this change. DSS must suppress outgoing transactions associated with receipt and automatic disposal of obsolete materiel fitting the criteria in this change with the exception of the Shipment Status and SDR. There is no impact to any Service systems.

d. **Defense Automatic Addressing System (DAAS):** There are no changes to current transaction flows and mappings through DAAS.

e. **Non-DLM 4000.25 Series Publications:** DLA Distribution must update internal guidance to comply with procedures delineated in this DLMS change.

**11. PROPOSED DLMS CHANGE 1181A STAFFING RESPONSE/COMMENT RESOLUTION:**

	<b>Originator</b>	<b>Response/Comment</b>	<b>Disposition</b>
1.	Army	Concur without comment.	Noted.
2.	Marine Corps	Concur without comment.	Noted.
3.	Air Force	Concur without comment.	Noted.
4.	DLA  DLA Distribution	Concur without comment.  Concur. All actions should occur automatically/ systemically at the time of induction. Suppression of receipt and disposal transactions will be incorporated in the Request for Change when developed.	Noted.
5.	Navy	Concur without comment.	Noted.
6.	DAAS	N/A	
7.	GSA	N/A	

**ENCLOSURE to ADC 1179A. Revise DLM 4000.25-2, MILSTRAP, Chapter 4 as shown (changes are identified by *bold, red italics* or double strikethrough) C4.9.3.3.1.**

“Condition of Materiel

C4.9.3.3.1.1. When inspection of inter-Service/Agency receipts reveals materiel to be SCC H and no PMR is recorded, storage activities will automatically ship discrepant materiel valued at less than \$500 per item direct to the property disposal activity except as specified in these procedures or take other automatic disposal actions based on criteria promulgated by the Services/Agencies. This includes Type I shelf-life materiel which has passed the expiration date regardless of value. When automatic disposal action is taken, cite SCC H and Management Code M (excludes shelf-life materiel) or Management Code T (expired shelf-life materiel), in lieu of the discrepant receipt management code, in the receipt transaction for the discrepant quantity.

C4.9.3.3.1.1.1. GSA Managed materiel and Non-Army Managed (NAMI) (Routing Identifier Code (RIC) AJ2) owned materiel will not be subject to the dollar value threshold for disposal eligibility, but will be subject to all other automatic disposal screening criteria.

***C4.9.3.3.1.1.2. Materiel identified to an obsolete DLA manager (RIC S9C, S9E, S9G, S9I or S9T) in FLIS is subject to automatic disposal at DLA Distribution Centers. Disposal of materiel will be subject to the existing exemption criteria stated in C4.9.3.3.1. When automatic disposal action applies, the receipt will cite SCC H and Management Code M (excludes shelf-life materiel) or Management Code T (expired shelf-life materiel). DLA Distribution will suppress transmission of outbound transactions associated with receipt and disposal action with the exception of Shipment Status and SDR transactions. The SDR will be prepared in accordance with SDR procedures for unscheduled receipts (no PMR) in DLM 4000.25 Volume 2, Chapter 17.***

C4.9.3.3.1.1.3. Automatic disposal does not apply to the following:

C4.9.3.3.1.1.3.1. Materiel that is identified as requiring DEMIL or containing radioactive, classified, or NWRM properties will not be subject to automatic disposal. This includes:

- DEMIL Codes: B, C, D, E, F, G, or P
- CIIC: A-H, K, L, O, Q, R, S, T, 5, 6, 8, 9
- Radioactive Water Type Cargo Codes: A and 4

C4.9.3.3.1.1.3.2. Materiel owned by U.S. Army Aviation and Missile Command (AMCOM) (RIC B17), will not be subject to automatic disposal.

C4.9.3.3.1.1.3.3. Unidentified materiel will not be subject to automatic disposal. Follow procedures in paragraph C4.9.3.1.

**C4.9.3.3.1.1. 3.4.** FMS materiel will not be subject to automatic disposal. Follow procedures in paragraph C4.9.3.1.

C4.9.3.3.1.1. 3.5. Materiel owned by USAF will not be subject to automatic disposal except for non-AF managed material located at a DLA distribution center not co-located with a USAF depot maintenance site.

C4.9.3.3.1.1.4. Upon receipt, or subsequent storage activity determination, that materiel is in SCC H, where the above criteria prohibit automatic disposal, an SDR ~~is will be~~ prepared clarifying why automatic disposal is not possible and requesting specific disposition instructions. Where applicable the SDR remarks will inform the action activity that the materiel cannot be shipped to the local DLA Disposition Services Field Office and must be sent to an approved DEMIL/destruction center via MILSTRIP DIC A5J generated by the owner/manager.”

**B. Revise DLMS, Volume 2, Chapter 13 as shown (changes are identified by *bold, red italics* or double strikethrough)**

“C13.2.8.2.10.1. Condition of Materiel

C13.2.8.2.10.1.1. No ARI File Exists. When inspection of inter-DoD Component receipts reveals materiel to be SCC H and no ARI file exists, automatically ship discrepant materiel valued at less than \$500 per item direct to the DLA Disposition Services activity except as specified in these procedures, or take other automatic disposal action based on criteria issued by the DoD Components. This includes expired Type I shelf-life materiel, which has passed the expiration date regardless of value. When taking automatic disposal action, cite SCC H and Management Code M or T in the Receipt Transaction, in addition to the discrepant receipt management code, for the discrepant quantity. To establish an audit trail when materiel is condemned upon receipt and shipped directly to DLA Disposition Services, cite the disposal turn-in transaction number in the Receipt Transaction in addition to the original transaction number.

C13.2.8.2.10.1.1.1. GSA Managed materiel and Non-Army Managed (NAMI) (Routing Identifier Code (RIC) AJ2) owned materiel will not be subject to the dollar value threshold for disposal eligibility, but will be subject to all other automatic disposal-screening criteria.

***C13.2.8.2.10.1.1.2. Materiel identified to an obsolete DLA manager (RIC S9C, S9E, S9G, S9I or S9T) in FLIS is subject to automatic disposal at DLA Distribution Centers. Disposal of materiel will be subject to the existing exemption criteria stated in***  
***C13.2.8.2.10.1.1.3. When automatic disposal action applies, the receipt will cite SCC H and Management Code M (excludes shelf-life materiel) or Management Code T (expired shelf-life materiel). DLA Distribution will suppress transmission of outbound transactions associated***



*with receipt and disposal action with the exception of Shipment Status and SDR transactions. The SDR will be prepared in accordance with SDR procedures for unscheduled receipts (no PMR) in Chapter 17.*

**C13.2.8.2.10.1.1.3.** Automatic disposal does not apply to the following:

**C13.2.8.2.10.1.1.3.1.** Materiel that is identified as requiring DEMIL or containing radioactive, classified, or NWRM properties will not be subject to automatic disposal. This includes:

- DEMIL Codes: B, C, D, E, F, G, or P
- CIIC: A-H, K, L, O, Q, R, S, T, 5, 6, 8, and 9
- Radioactive Water Type Cargo Codes: A and 4

**C13.2.8.2.10.1.1.3.2.** Materiel owned by U.S. Army Aviation and Missile Command (AMCOM) (RIC B17), will not be subject to automatic disposal.

**C13.2.8.2.10.1.1.3.3.** Unidentified materiel will not be subject to automatic disposal. Follow procedures in paragraph C13.2.8.2.9.1.

**C13.2.8.2.10.1.1.3.4.** FMS materiel will not be subject to automatic disposal. Follow procedures in paragraph C13.2.8.2.9.1.

**C13.2.8.2.10.1.1.3.5.** Materiel owned by USAF will not be subject to automatic disposal except for non-AF managed material located at a DLA distribution center not co-located with a USAF depot maintenance site.

**C13.2.8.2.10.1.1.4.** Upon receipt, or subsequent storage activity determination, that materiel is in SCC H, where the above criteria prohibit automatic disposal, an SDR ~~is will be~~ prepared clarifying why automatic disposal is not possible and requesting specific disposition instructions. Where applicable the SDR remarks will inform the action activity that the materiel cannot be shipped to the local DLA Disposition Services Field Office and must be sent to an approved DEMIL/destruction center via MILSTRIP DIC A5J generated by the owner/manager.”

**C. Revise DLMS, Volume 2, Chapter 17 as shown (changes are identified by bold, red italics or double strikethrough)**

“C17.3.6. Distribution Center Receipt with no Due In/Prepositioned Materiel Receipt (PMR). DLA Distribution Centers will report receipt of unscheduled materiel from new procurement and non-procurement sources to the owner **or** manager, **as applicable**, regardless of condition of materiel, as a discrepancy.

C17.3.6.1. New procurement materiel with other applicable discrepancies, (e.g., missing receiving report/[DD Form 250](#), improper packaging), will be placed in Supply Condition Code (SCC) L pending resolution.

C17.3.6.2. If other than new procurement, the SDR should show receipt in SCC K when the actual condition cannot be determined. Materiel returned with other identified discrepancies, (e.g., without associated technical data), ~~will also be~~ **is** reported as indicated under the appropriate discrepancy category. Returns of excess materiel that are not ICP/IMM directed are subject to recoupment of costs associated with disposal or repackaging costs incurred by the distribution Center. ***If the receiving activity identifies no other discrepancies requiring disposition instructions and is able to process the receipt to the owner the SDR will cite Action Code 3B for corrective action and trend analysis. The distribution center will direct the action copy of the SDR to the owner or manager and a distribution copy to the returning activity (based on the DoDAAC in the document number or shipping documentation.)***

***C17.3.6.3. Unscheduled receipts of materiel subject to MILSTRAP automatic disposal is reported via SDR for trend analysis and corrective action (Action Code 3B) with a distribution copy to the returning activity. SDRs associated with DLA obsolete materiel (materiel managed under obsolete RICs beginning with S9) must cite Discrepancy Code Z1 (see remarks), Z3 (no PMR), and any other relevant discrepancy code. SDR remarks will state, "Unauthorized return; materiel processed under DLA automatic disposal procedures for obsolete materiel. No further action required."***