



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

November 5, 2018

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1225A, Approved Addendum to ADC 1225, Accommodate Moving Average Cost and Latest Acquisition Cost to Materiel Receipts (Supply)

The attached change to DLM 4000.25, Defense Logistics Management Standards (DLMS), is approved for implementation. The Enterprise Business Standards Office will post the updated DLMS Implementation Conventions (IC) to the Web at http://www.dla.mil/HQ/InformationOperations/DLMS/elibrary/Transformats/140_997/, within **10** days from the above date.

Addressees may direct questions to Mr. Eric Flanagan, DOD MILSTRIP Administrator, email: DLMSSupply@dlamail.mil. Others must contact their designated Supply PRC representative available at <http://www.dla.mil/HQ/InformationOperations/DLMS/allpoc/>.

HEIDI M. DAVEREDE
Director
Enterprise Business Standards Office

Attachment
As stated

cc:
ODASD Logistics

Approved Addendum to ADC 1225 Accommodate Moving Average Cost and Latest Acquisition Cost in Materiel Receipts

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. **Technical POC:** Mr. John “Jack” Dillon, HAF/A4PT; 937-904-0815; DSN: 674-0815; or email: john.dillon.2.ctr@us.af.mil

b. **Functional POC:** Mr. Colquitt “Quitty” Lawrence, HAF/A4LR; 703-692-2348; DSN: 222-2348; or email: colquitt.lawrence.civ@mail.mil

2. FUNCTIONAL AREA LOGISTICS AND TRANSACTION CHANGES:

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

b. **Primary/Secondary Functional Process:** Government Furnished Property-Accountability (GFP-A)

c. **Logistics and Transaction Changes (Check All That Apply):**

<input checked="" type="checkbox"/>	Category	<input checked="" type="checkbox"/>	Category	<input checked="" type="checkbox"/>	Category
	Billing		Physical Inventory		Contract Admin
	Discrepancies / Deficiencies	X	MILSTRAP		DoDAAD
	Serialization		MILSTRIP		MAPAD
	Small Arms/Light Weapons		MRA		LMARS
	pRFID		Disposition		DLM Publications
X	GFP		DOD BRAC		

3. **REFERENCE:** Approved DLMS Change 1225, Revise DLMS 527R Receipt Transaction for Intra-Air Force Government Furnished Property (GFP) Accountability to Include Identification of the Contractor Inventory Control Point (CICP), Addition of Moving Average Cost (MAC), and Authorization to Use Latest Acquisition Cost (LAC) and Acceptance Date (March 2017)

4. **APPROVED CHANGE(S):** Substantive revisions from the PDC are highlighted in green.

a. **Brief Overview of Change:** This change modifies the DLMS 527R Materiel Receipt Implementation Convention to allow Air Force Contractor Inventory Control Points (CICPs) to identify the moving average cost (MAC) and latest acquisition cost (LAC) in the same receipt.

b. Background:

(1) ADC 1225 (see paragraph 3) added qualifiers to allow Air Force CICIPs to identify the MAC and LAC in the DLMS 527R. Air Force CICIPs send this information to the Air Force Accountable Property System of Record (APSR) to allow the Air Force to report the value of CICIP-managed assets.

(2) The Monetary Amount Information (AMT) segment in the DLMS 527R conveys both the MAC and the LAC. Qualifier JJ (Cost Basis) indicates the LAC, and Qualifier AVE (Average) indicates the MAC. The AMT segment is located in the Receiving Conditions (RCD) loop. In some cases, the CICIP must simultaneously provide both the MAC and the LAC within the same materiel receipt transaction. For example, the CICIP will include the LAC in every materiel receipt, but will only include the MAC when a receipt causes that value to change. The MAC and LAC must apply to an item in a single RCD segment. This is problematic because the X12 527 transaction set only allows one instance of the AMT segment within each RCD loop. The CICIP cannot provide an additional RCD loop because doing so would indicate the receipt of a different quantity. Consequently, the Air Force brought this issue to the Enterprise Business Standards Office for resolution.

(3) To resolve the issue, this ADC opens the monetary amount data element in the Furnished Goods and Services (GF) segment within the RCD loop. The RCD loop can convey both the GF and AMT segments at the same time. This approach allows CICIPs to provide the MAC and the LAC in the same transaction, without repeating the RCD loop. The CICIPs will continue to use the AMT segment to convey the LAC, but will use the monetary amount data element in the GF segment to convey the MAC. The monetary amount data element in the GF segment does not require a qualifier, so the ADC removes the AVE qualifier from the AMT segment.

c. Approved Change in Detail: Modify the DLMS 527R IC as follows:

(1) Remove Qualifier AVE (Average) from the AMT segment (2/AMT01/100).

(2) Open 2/GF04/060, Data Element 782, Monetary Amount and add a segment and data element DLMS Note to authorize the intra-Air Force use for Moving Average Cost.

d. Revisions to DLM 4000.25 Manuals: This ADC does not revise DLM 4000.25 publications.

e. Approved Transaction Flow: This ADC does not change the process flow illustrated in Enclosure 2 of ADC 1225 (see paragraph 3).

f. Alternatives: This ADC does not propose any alternatives.

5. REASON FOR CHANGE:

a. The Air Force requires its CICIPs to provide the MAC and the LAC at the time of receipt. The CICIP must be able to provide this information in the same transaction without repeating the RCD loop.

b. The Air Force APSR must mirror the CICP's inventory management system at all times. To accomplish this, the CICP must report materiel receipts to the APSR, and include relevant cost and item information. The Air Force requires the MAC and LAC in order to provide accurate financial reporting for Air Force-owned, contractor-managed and possessed assets.

6. ADVANTAGES AND DISADVANTAGES:

a. **Advantages:** This change accommodates the Air Force's requirement for CICPs to convey both the MAC and the LAC in the same transaction without major modifications to DLMS 527R IC.

b. **Disadvantages:** This ADC does not identify any disadvantages.

7. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: The Air Force may implement this change upon the release of the ADC.

8. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: The Air Force did not provide estimated cost savings or avoidance for this approved change.

9. IMPACT:

a. **New DLMS Data Elements:** This ADC does not add new DLMS data elements.

b. **Changes to DLMS Data Elements:** This ADC removes qualifier AVE from location 2/AMT01/100 in the DLMS 527R IC.

c. **Automated Information Systems (AIS):** This ADC is applicable to affected Air Force CICP information systems and the Air Force APSR, which is currently the Defense Property Accountability System (DPAS).

d. **Defense Automatic Addressing System (DAAS):** DAAS must update the DLMS 527R map.

e. **Non-DLM 4000.25 Series Publications:** The Air Force and its contractors must update relevant publications.

10. COMPONENT RESPONSE/COMMENT RESOLUTION:

	Originator	Response/Comment	Disposition
1.	DLA	Concur without comment.	Noted.
2.	DAAS	Concur without comment.	Noted.
3.	Air Force	Concur without comment.	Noted.
4.	Army	No response.	Noted.
5.	USMC	Concur without comment.	Noted.
6.	Navy	Concur without comment.	Noted.

7.	USTRANSCOM	Abstain.	Noted.
8.	DSCA	Concur without comment.	Noted.

Enclosure to ADC 1225A

#	Location	DLMS 527R Materiel Receipt	Reason
1.	DLMS Introductory Notes	<u>Add ADC 1225A to the DLMS Introductory Note:</u> <i>- ADC 1225A, Approved Addendum to ADC 1225 Accommodate Moving Average Cost and Latest Acquisition Cost in Materiel Receipts</i>	To identify changes made to the IC.
2.	2/GF/060	<u>Add DLMS Note</u> DLMS Note: <i>1. On an intra-Air Force basis only, Air Force CICPs will use this segment to provide the moving average cost (MAC). Refer to ADC 1225A.</i> <i>2. Use only with nonprocurement source receipt (MILSTRAP legacy DIC D6_ functionality) and MRA transactions. Use only with those MRA and Receipt transactions associated with materiel issued to contractors as government furnished materiel (GFM), and with MRA transactions associated with Contractor Furnished Materiel (CFM) obtained from government supply sources. Identify the controlling document number in 2/N9/030. This restriction is not applicable to Air Force CICPs that use this segment to provide the moving average cost.</i> Authorized DLMS enhancement. Refer to ADC 390.	To authorize intra-Air Force use of the GF segment.
3.	2/GF04/060	<u>Mark Data Element GF04 as used and add DLMS Note</u> DLMS Note: <i>For intra-Air Force use only. Air Force CICPs will enter the moving average cost (MAC) when available. Refer to ADC 1225A.</i>	To allow Air Force CICPs to convey a MAC in addition to the latest acquisition cost identified in 2/AMT01/100.
4.	2/AMT01/100	<u>Remove Qualifier AVE</u> AVE Average DLMS Note: For intra-Air Force use in wholesale receipts of property by the Air Force Contractor Inventory Control Point to identify the Moving Average Cost (MAC) of the item received.	This ADC moves the MAC dollar amount to 2/GF04/060.