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DEFENSE ENTERPRISE DATA STANDARDS OFFICE  
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FORT BELVOIR, VIRGINIA 22060-6221**

**MEMORANDUM FOR RECORD**

**SUBJECT: Approved Defense Logistics Management Standards Change 1464A, Administrative update to Segregation of Materiel Below Line Item (Supply)**

The attached approved MFR administrative update is effective immediately. This administrative update does not change or eliminate any existing procedures or add any new procedures. It corrects chapter numbering and removes an incorrect reference in Enclosure 1. Administrative ADC 1464A replaces ADC 1464 in its entirety.

The Defense Enterprise Data Standards Office (DEDSO) point of contact is Wes Best, e-mail: [DEDSO.Supply@dla.mil](mailto:DEDSO.Supply@dla.mil).

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Attachment:  
As stated

cc:  
OUSD (C)  
DLA J6DS

# Approved Defense Logistics Management Standards Change 1464A Segregation of Materiel Below Line Item (Supply)

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

- a. **Technical POC:** Nidal M. Deeb, U.S. Navy, email: [Nidal.M.Deeb.civ@us.navy.mil](mailto:Nidal.M.Deeb.civ@us.navy.mil)
- b. **Functional POC:** Wes Best, Defense Enterprise Data Standards Office (DEDSO), email: [DEDSO.Supply@dla.mil](mailto:DEDSO.Supply@dla.mil)

## 2. REASON FOR CHANGE:

- a. **Bottom Line Up-Front:** Substantive updates made after staffing are identified in green highlighting.

(1) This change enables materiel owners to segregate materiel both physically and systemically, by stock allocation reference upon request. While the value of the stock allocation reference is service specific, DEDSO will define the business rules and attributes of this data element. The intent of this change is for storage activities to leverage the batch process to drive physical segregation (similar to shelf-life) but keep accountability of the materiel by line item. For context, the line item is the combination of national stock number (NSN), supply condition code, and materiel owner.

(2) This administrative change does not change or eliminate any existing procedures or add any new procedures. This administrative update corrects the chapter numbering and removes an incorrect reference in Enclosure 1. **Administrative ADC 1464A replaces ADC 1464 in its entirety.**

- b. **Background:**

(1) Naval Air Systems Command (NAVAIR) materiel being stored at Defense Logistics Agency (DLA) is primarily Support Equipment (SE) and Aircraft Launch and Recovery Equipment (ALRE). The equipment is not part of the supply system for Naval Supply Systems Command (NAVSUP) or DLA to fill fleet requisitions. The SE is procured for the purpose of future site activation of a type of model series aircraft squadron. The majority of SE is known as Peculiar Support Equipment (PSE), its use is specific to supporting that type of model series of Navy aircraft, or the systems installed on that aircraft.

(2) The ALRE is procured and stored for future install on Navy ships or aircraft carriers. The ALRE performs a specific function, such as aiding pilots while taking off or landing, launching, or recovering an aircraft from an aircraft carrier. Both SE and ALRE are procured using specific budget line-item funding that needs to be accounted for by the program office or program management activity (PMA) from an audit readiness perspective. Both the SE and ALRE are classified as general equipment and must be tied back to the PMA that procured it. Since the equipment is purchased by the individual

PMAs, it needs to remain under the cognizance of that PMA for accounting to meet budget and Financial Improvement and Audit Remediation (FIAR) requirements.

(3) PMAs need to have visibility of what they have in storage at DLA to be able to react to changing requirements – to include imminent or ongoing conflicts. The SE is used to conduct maintenance on Navy aircraft, as such, there are times when the PMAs may need to change aircraft site activation schedules or the location where a squadron needs to be located. Knowing what SE and/or ALRE they have, and the quantities, drives the decision process.

(4) Within a family of an aircraft, there are multiple model configurations, such is the F-18A through G aircraft. The multiple configurations may use the same item(s) of SE, but the SE was procured by the PMA using different types of funding (e.g., Aircraft Procurement, Navy, Research & Development, and Procurement, Navy ) so those items need to be separated by the type of model series, as they were procured to ensure proper accountability.

(5) For the above listed reasons, DoD needs to have the ability to segregate the items by program owner, which is currently being done using pseudo routing identifier codes (RICs).

### **3. CHANGE IN DETAIL:**

(1) Define purpose code Z as an inter-component code, specifically for the segregation of materiel below line item when used in combination with the stock allocation reference. Further segregation is required by the materiel owner/ICP to reserve inventory for a specific reason or purpose.

(2) Add new qualifier for the N9/REF segment SLI Secondary Location Identifier code to all balance affecting transactions and the pre-positioned materiel receipt (PMR) to ensure the stock allocation value can be conveyed when reporting to the materiel owner. The materiel at the warehouse may not be physically marked with the stock allocation reference. However, the materiel will be treated as a separate batch and segregated from others alike, such as shelf-life materiel with different expiration dates.

(a) The stock allocation reference (**SK**) is defined by materiel owners but cannot exceed 6 alpha/numeric characters. Materiel owners may use dashes (-). No other special characters or spaces are allowed.

(b) Materiel segregated by the stock allocation reference will not be available for stock replenishment and can only be issued using a materiel release order (MRO). The MRO and the materiel segregated must match by NSN, supply condition code, materiel owner, and stock allocation reference.

(c) When the materiel owner requires this type of segregation, they must provide a PMR citing purpose code Z and the stock allocation reference value.

(3) The intent of the stock allocation reference is to enable materiel owners to segregate materiel below line item without significant impact to storage activities and their footprint. Materiel owners must ensure segregation of materiel by stock allocation reference is not abused as it can cause an increase in storage cost and affect the overall warehouse capacity to store the materiel.

(4) New qualifier SLI Secondary Location Identifier will be available in the following Defense Logistics Management Standards (DLMS) transactions:

(a) DLMS 527D Due-in/Advance Receipt /Due Verification

(b) DLMS 527R Receipt

(c) DLMS 867I Issue

(d) DLMS 940R Materiel Release

(e) DLMS 945A Materiel Release Advice

(f) DLMS 947I Inventory Adjustment

(5) Use the Ship-In-Place process to segregate materiel by a stock allocation reference for materiel already in storage. The materiel owner must provide a PMR with **purpose code Z** and the stock allocation reference. In addition, the materiel owner will transmit a DLMS 940R Materiel Release. **When segregating materiel already in storage**, do not include the stock allocation reference in the MRO as it can cause a denial.

(a) Once the MRO and the PMR are transmitted by the materiel owner, the storage activity will process a re-warehouse action using the stock allocation reference from the PMR to stow the materiel. The storage activity will create the relationship between the materiel owner, warehouse location, and stock allocation reference.

(b) Once the re-warehouse action is complete, the storage activity transmits a DLMS 945A and a DLMS 527R Receipt transaction to the materiel owner to ensure inventory balances align and the stock allocation reference is recorded properly.

**a. Revised Transaction Flow:**

(1) Materiel owner transmits a DLMS 527D PMR with the appropriate secondary owner.

(2) At time of receipt, when the stock allocation reference is present in the PMR, the storage activity will treat the materiel as a new batch, record the stock allocation reference during the receipt process, and stow it in a new location. The materiel must be stored in a new location unless an existing location matches the materiel received by line item and stock allocation reference.

(3) While the materiel is segregated by a stock allocation reference, the storage activity will not use it to replenish other locations. The materiel can only be issued out via the DLMS 940R materiel release order (MRO). The MRO must include the stock allocation reference to avoid the issue of materiel alike.

(4) The stock allocation reference must always be associated to a valid materiel owner RIC. The materiel owner is responsible for the materiel regardless of the stock allocation reference. Storage activities will report all balance affecting actions against materiel segregated by a stock allocation reference to the appropriate materiel owner.

(5) Storage activities implementing this change must ensure to retain a relationship between the location of the materiel, the materiel owner RIC, and the stock allocation reference. This will ensure MROs can be properly fulfilled with the correct materiel.

(6) The storage activity will report all balance affecting transactions to the materiel owner, regardless of the stock allocation reference. In the transmission, the storage activity must include the stock allocation reference.

(7) The materiel owner must transmit a DLMS 940R MRO transaction to the storage activity and request the release of the materiel previously segregated by secondary owner. The MRO must include the secondary owner otherwise, the storage activity will follow standard order fulfillment procedures.

(a) If the storage activity is unable to find the materiel segregated by the secondary owner, the release order will be denied via the DLMS 945A Materiel Release Denial and the appropriate management code.

(b) Upon successful match of the secondary owner, the storage activity completes the release order in accordance with standard procedures. Once the quantity stored for that secondary owner has been exhausted, the storage activity will not retain the secondary owner value.

**4. IMPLEMENTATION TARGET:** At a minimum, the Navy Staging Facility Inventory Management System (SFIMS) and DLA Warehousing Management System (WMS) will need to implement this change. At the time of this ADC, SFMIS cannot accept or transmit any DLMS/Legacy MILS transaction; however, Navy is currently working to implement the appropriate transactions to ensure proper accountability of materiel. The target implementation date for SFIMS is January 2025.

## **5. TECHNICAL IMPACT:**

a. **Additions or Changes to Data Dictionary:** Secondary Location. See Enclosure 2 to update Implementation Conventions. Update transaction mapping to incorporate the new qualifier SLI Secondary Location Identifier code. The stock allocation reference (secondary location) is an optional data element used to segregate materiel below line item by a user defined alphanumeric value. The stock allocation reference may be a minimum of 1 alphanumeric

character up to 6 alphanumeric characters, dashes are allowed but no special character or space is to be added to the data element definition; materiel owners may use dashes (-). When present, the materiel owner will require further segregation at the storage activity both physically and systemically. Transactions impacted are listed under section 3.b.5. Depending upon the impacted transaction, the qualifier and data will be in the REF or N9 segment.

**b. Automated Information Systems (AIS):** This change will impact any accountable property system of record required to segregate materiel physically and systemically by stock allocation reference. At a minimum, the DLA WMS will need to implement this change.

**c. Defense Automatic Addressing System (DAAS):** Update transaction mapping and/or routing as appropriate to incorporate the new qualifier SLI Secondary Location Identifier code. Transactions impacted are listed under section 3.b.5.

**d. Navy Staging Facility Inventory Management System (SFMS):** The Staging Facility Inventory Management System (SFIMS) is being modified to transact with WMS. The process has started and is planned to transact through Navy Logistics Management Standards (NLMS) to produce DLMS compliant transactions. NAVSUP will be involved to continue development on the necessary codes to transact through NLMS to WMS. It is anticipated that transactions with WMS will be ready by January 2025. Once the PDC is approved and WMS identifies the field that will be used to segregate the materiel to the program, that information will be used to modify NLMS to use this field along with SFMS.

## **6. PUBLICATION/POLICY IMPACT:**

### **a. Defense Logistics Manual (DLM) 4000.25:**

(1) Volume 2, Supply Standard and Procedures, Chapter 4 Requisitions.  
See Enclosure 1.

(2) Volume 2, Supply Standard and Procedures, Chapter 12, Due-In and Pre-Positioned Materiel Receipt. See Enclosure 1.

(3) Volume 2, Supply Standard and Procedures, Appendix 2.4 Purpose Codes.

### **b. Non-DLM 4000.25 Publications:** None.

**7. ASSUMPTIONS:** None.

**8. FINANCIAL IMPROVEMENT AND AUDIT REMEDIATION (FIAR), MATERIAL WEAKNESS, AND AUDIT-RELATED INFORMATION:**

a. **Notices of Findings and Recommendations (NFR):** None.

b. **Corrective Action Plan (CAP) References:** None.

c. **Other FIAR, Material Weakness, and Audit-Related Information:** None.

**9. END-TO-END TESTING REQUIREMENTS:** None.

**10. REFERENCES:** None.

# 11. PROPOSED DLMS CHANGE (PDC) 1464 RESPONSE/COMMENT RESOLUTION:

	Component	Response/Comment	Disposition
1.	US Air Force	Concurs without comment.	DEDSO acknowledges and accepts
2.	US Army	No comments received.	No response represents concurrence.
3.	USMC	Concur without comment.	DEDSO acknowledges and accepts
4.	US Navy	Concurs as written.	DEDSO acknowledges and accepts
5.	DLA	<p>Concurs with comments:</p> <ol style="list-style-type: none"> <li>DLA will not implement this ADC in transactions going to or from EBS. We have no intent to segregate stock by Stock Allocation Reference.</li> <li>This storage capability does not impact how DLA Disposition Services stores inventory. Will need to monitor how this would change in WMS for Distribution and no ramification to the functionality of Disp Svcs. Concur with J345's uploaded comments on ensuring WMS is fully functional before implementing this change.</li> <li>With the exception of the DLMS 527D, it would appear DEDSO has accommodated this requirement with the OW - Owner of Property/ or Unit. Is there a need for a new element "SK"?</li> <li>If the decision is to proceed with this PDC, for N103, must it be 10 (DoDAAC), or M4 (RIC)</li> <li>Another option may be to expand ADC 1379 to additional ICs as required. - Warehouse Project Code (Industry Code P4)</li> <li>What controls are in place to ensure" Materiel owners must ensure segregation of materiel by stock allocation reference is not abused as it can cause an increase in storage cost and affect the overall warehouse capacity to</li> </ol>	<p>DEDSO acknowledges and accepts all DLA comments listed below.</p> <ol style="list-style-type: none"> <li>Noted. DEDSO agrees.</li> <li>Noted. Disposition Services doesn't perform receipts on behalf of other services, therefore, there should be no impact to Disposition Services, especially since DLA EBS will not be implementing per comment #1.</li> <li>Noted. The new qualifier does not replace the Materiel Owner in the PMR. SK allows the materiel owner to further segregate materiel under his/her ownership as necessary. Any further segregation will not affect/change the materiel owner. Ultimately the materiel owner is who financially owns the materiel.</li> <li>Noted. Recent changes moved the new qualifier from the N1 segment to the N9 so there is no need for changes in N103.</li> <li>Noted. After further research, DEDSO determined that ADC 1379 cannot be expanded as suggested. The Warehouse Project Code and the stock allocation reference share some similarities but cannot be used the same way.</li> <li>Noted. As stated in the change, materiel owners are responsible for making sure this process is not abused as it could impact DLA distribution centers and their footprints. At the time of this change, Services who are interested on proceeding with implementation,</li> </ol>



		<p>store the materiel."? This change could increase the footprint of DLA Distribution warehouses significantly due to the sub segregation by project and not simply by owner/NSN/Condition.</p> <p>7. "At a minimum, the DLA Warehousing Management System will need to implement this change. " DLA would only consider investing the programing effort and cost to update WMS and will not update DSS to accomplish this PDC. DLA would need to know the Navy expectation on when they would expect this to be accomplished.</p> <p>8. This change request will require component systems to systemically transmit data to WMS. Will the Navy be able to update their system of record when DLA has programed WMS</p>	<p>already have this materiel in DLA 's custody and segregated by a pseudo-RIC.</p> <p>7. Noted. DEDSO, in coordination with Navy, updated the change with implementation timelines and all systems known to have some level of impact.</p> <p>8. Noted. Navy is currently implementing the appropriate DLMS transactions to ensure their system can communicate with WMS as intended.</p>
6.	DAAS	Concur without comment.	DEDSO acknowledges and accepts.
7.	FAA	Concur without comment. Comment: No impact to the FAA IFS system.	DEDSO acknowledges and accepts
8.	USTRANSCOM	Abstain.	DEDSO acknowledges and accepts

## Enclosure 1

### A. Revised Defense Logistics Manual (DLM) 4000.25, Volume 2, Supply Standards and Procedures, Chapter 4 Requisitions as follows:

Make the following changes to Volume 2. Additions are shown in *red bold italics*. Deletions are shown by double strikethrough text.

***C4.7.14.6. Segregation of Materiel below Line Item. Materiel owners may segregate materiel they own using a stock allocation reference. The stock allocation reference is defined by each materiel owner. However, the stock allocation reference cannot exceed 6 alpha-numeric characters. The value may contain dashes but no other special character.***

***C4.7.14.6.1. Segregating Materiel using the PMR. To segregate by a stock allocation reference, the materiel owner must transmit a pre-positioned materiel release transaction to the storage activity prior to the receipt process. The PMR must cite the materiel owner RIC, and the stock allocation reference to force the materiel receipted to be segregated in a separate location.***

***C4.7.14.6.2. Release of Materiel Segregated using the MRO. To release materiel segregated by the segregated reference, the materiel owner will transmit a DLMS 940R Materiel Release transaction to the storage activity. The Materiel release transaction must include the stock allocation reference. The lack of the stock allocation reference in the MRO will cause a denial.***

### B. Revised Defense Logistics Manual (DLM) 4000.25, Volume 2, Supply Standards and Procedures, Chapter 12 Due-In and Pre-Positioned Materiel Receipt as follows:

***C12.3.8. Segregating Materiel using the PMR. To segregate by a stock allocation reference, the materiel owner must transmit a pre-positioned materiel release transaction to the storage activity prior to the receipt process. The PMR must cite the materiel owner RIC, and the stock allocation reference to force the materiel receipted to be segregated in a separate location. To release the materiel segregated, the materiel owner must transmit an MRO citing the stock allocation reference. See chapter 4, Requisitions for additional details.***

## Enclosure 2

Revise the following DLMS Implementation Conventions (ICs) as shown.

Changes are identified by ***bold italics*** and deletions by single strikethrough text.

#	Location	DLMS 527D Due-in/Advance Receipt /Due Verification	Reason
1.	DLMS Introductory Note	Add ADC to DLMS Introductory Note 7 to add:  <b><i>- ADC 1464, Segregation of Materiel Below Line Item (Inventory Management)</i></b>	Identifies the IC as modified by this change.
2.	2/N901/0300	Add new code SLI and DLMS Notes as follows:  <b><i>SLI Secondary Location Identifier</i></b>  <b><i>DLMS Note:</i></b> <b><i>1. Use in combination with purpose code Z to request further segregation below line item. SLI cannot exceed 6 alpha/numeric characters.</i></b> <b><i>2. A local code 'SLI' is established for use in the 527D, version 4010. A data maintenance action has been submitted for establishment of 'SLI- Secondary Location Identifier' in a future version. <del>SK for stock allocation reference in Warehouse Management System (WMS) to identify the secondary owner/address of materiel.</del></i></b>	New data element to carry the stock allocation reference.

#	Location	DLMS 527R Receipt	Reason
1.	DLMS Introductory Note	Add ADC to DLMS Introductory Note 7 to add:  <b><i>- ADC 1464, Segregation of Materiel Below Line Item (Inventory Management)</i></b>	Identifies the IC as modified by this change.
2.	2/N901/030	Add new code SLI and DLMS Notes as follows:  <b><i>SLI Secondary Location Identifier</i></b>  <b><i>DLMS Note:</i></b> <b><i>1. Use in combination with purpose code Z to request further segregation below line item. SK cannot exceed 6 alpha/numeric characters.</i></b> <b><i>2. A local code 'SLI' is established for use in the 527R, version 4010. A data maintenance action has been submitted for establishment of 'SLI- Secondary Location Identifier' in a future version. <del>SK for stock allocation reference in Warehouse Management System (WMS) to identify the secondary owner/address of materiel.</del></i></b>	Add required capability.

#	Location	DLMS 867I Issue	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 7 to add:</u> <b>- ADC 1464, Segregation of Materiel Below Line Item (Inventory Management)</b>	Identifies the IC as modified by this change.
2.	2/REF01/030	<b>Add new code SLI and DLMS Notes as follows:</b>  <b>SLI Secondary Location Identifier</b>  <b>1. Use in combination with purpose code Z to request further segregation below line item. SK cannot exceed 6 alpha/numeric characters.</b> <b>2. A local code 'SLI' is established for use in the 867I, version 4010. A data maintenance action has been submitted for establishment of 'SLI- Secondary Location Identifier' in a future version. SK for stock allocation reference in Warehouse Management System (WMS) to identify the secondary owner/address of materiel.</b>	<b>New data element to carry the stock allocation reference.</b>

#	Location	DLMS 940R Materiel Release	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 7 to add:</u> <b>- ADC 1464, Segregation of Materiel Below Line Item (Inventory Management)</b>	Identifies the IC as modified by this change.
2.	2/N901/0400	<u>Add new code SLI and DLMS Notes as follows:</u>  <b>SLI Secondary Location Identifier</b>  <b>1. Use in combination with purpose code Z to request further segregation below line item. SK cannot exceed 6 alpha/numeric characters.</b> <b>2. A local code 'SLI' is established for use in the 940R, version 4010. A data maintenance action has been submitted for establishment of 'SLI- Secondary Location Identifier' in a future version. <del>SK for stock allocation reference in Warehouse Management System (WMS) to identify the secondary owner/address of materiel.</del></b>	Add required capability.

#	Location	DLMS 945A (4010) Materiel Release Advice	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 7 to add:</u>  <b>- ADC 1464, Segregation of Materiel Below Line Item (Inventory Management)</b>	Identifies the IC as modified by this change.
2.	2/N901/0400	<u>Add new code SLI and DLMS Notes as follows:</u>  <b>SLI Secondary Location Identifier</b>  <b>1. Use in combination with purpose code Z to request further segregation below line item. SK cannot exceed 6 alpha/numeric characters.</b> <b>2. A local code 'SLI' is established for use in the 945A, version 4010. A data maintenance action has been submitted for establishment of 'SLI- Secondary Location Identifier' in a future version. <del>SK for stock allocation reference in Warehouse Management System (WMS) to identify the secondary owner/address of materiel.</del></b>	Add required capability.

#	Location	DLMS 945A (4030) Materiel Release Advice	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 7 to add:</u>  <b>- ADC 1464, Segregation of Materiel Below Line Item (Inventory Management)</b>	Identifies the IC as modified by this change.
2.	2/N901/0500	<u>Add new code SLI and DLMS Notes as follows:</u>  <b>SLI Secondary Location Identifier</b>  <b>1. Use in combination with purpose code Z to request further segregation below line item. SK cannot exceed 6 alpha/numeric characters.</b> <b>2. A local code 'SLI' is established for use in the 945A, version 4030. A data maintenance action has been submitted for establishment of 'SLI- Secondary Location Identifier' in a future version. <del>SK for stock allocation reference in Warehouse Management System (WMS) to identify the secondary owner/address of materiel.</del></b>	Add required capability.

#	Location	DLMS 947I (4030) Inventory Adjustment	Reason
1.	DLMS Introductory Note	<u>Add ADC to DLMS Introductory Note 7 to add:</u>  <b>- ADC 1464, Segregation of Materiel Below Line Item (Inventory Management)</b>	Identifies the IC as modified by this change.
2.	2/N901/0400	<u>Add new code SLI and DLMS Notes as follows:</u>  <b>SLI Secondary Location Identifier</b>  <b>1. Use in combination with purpose code Z to request further segregation below line item. SK cannot exceed 6 alpha/numeric characters.</b> <b>2. A local code 'SLI' is established for use in the 947I, version 4030. A data maintenance action has been submitted for establishment of 'SLI- Secondary Location Identifier' in a future version. <del>SK for stock allocation reference in Warehouse Management System (WMS) to identify the secondary owner/address of materiel.</del></b>	Add required capability.