IN REPLY
REFER TO

DLA J-627

October 29, 2010

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 402, Revise DLMS 947I Inventory Adjustment Transaction and Associated Procedures to Support Marine Corps BRAC Storage and Distribution Interface (Supply) (Staffed as PDC 423)

The attached change to DOD 4000.25-M, DLMS, is approved for implementation. The updated DLMS Supplement will be posted to the DLA Logistics Management Standards Office Web site http://www.dla.mil/j-6/dlmso/elibrary/TransFormats/formats.asp within **10** days from the above date for implementation planning. This change is required for an upcoming Defense Logistics Agency (DLA) and Marine Corps release to support Base Realignment and Closure (BRAC) Storage and Distribution Interface.

Addressees may direct questions to Ms. Mary Jane Johnson, Supply PRC Co-Chair, email: Mary.Jane.Johnson@dla.mil. Others must contact their Component designated Supply PRC representative.

DONALD C. PIPP
Chief
DLA Logistics Management
Standards Office

Attachment

cc:
ODASD(SCI)
Joint Physical Inventory Working Group (JPIWG)

ATTACHMENT TO ADC 402
Revise DLMS 947I Inventory Adjustment Transaction and Associated Procedures to Support Marine Corps BRAC Storage and Distribution Interface (Supply)

1. **ORIGINATOR:** Defense Logistics Agency, DLA J-331, 703-325-1924 (DSN 427)

2. **FUNCTIONAL AREA:** Primary: Supply/ Logistics.

3. **REFERENCES:**

   a. Functional Requirements Pre-Design for DLA's implementation of Base Realignment and Closure (BRAC) Storage and Distribution Interface, included in Spiral 2

   b. DLMS Supplement (DS) 947I available at: http://www.dla.mil/j-6/dlmso/elibrary/TransFormats/140_997.asp.

   c. DLMSO memorandum, July 1, 2010, subject: Approved DLMS Change (ADC) 381, Procedures and Additional Data Content supporting Requisitions, Requisition Alerts, and Unit of Use Requirements under Navy BRAC SS&D/IMSP (Supply/Finance) (Staffed as PDC 366A)

   d. DLA Logistics Management Standards Office memorandum, October 7, 2010, subject: PDC 419, Revise DLMS 527D Prepositioned Materiel Receipt (PMR) and 527R Receipt and Associated Procedures to Support Marine Corps BRAC Storage and Distribution Interface (Supply))

   e. DLA Logistics Management Standards Office memorandum, September 2, 2010, subject: PDC 384A, Procedures and Data Content for DLMS Warehouse Service Request (940S), and Warehouse Service Advice (943A), under Navy and Marine Corps BRAC (Supply)

4. **REQUESTED CHANGE:**

   a. Description of Change: This change provides new procedures and updates to a DLMS transaction to communicate DS 947I Inventory Adjustment Quantity or Status Adjustment Reason (QSAR) Code 'AG-Ownership Change' for a new (second) purpose specific to USMC BRAC to identify a gain or loss resulting from ownership change associated with re-warehousing. **This ownership change can be requested by the Marine Corps or can occur as a result of material identified as discrepant upon receipt**.

   b. Background: BRAC Concept. As a result of the 2005 BRAC decision, storage and distribution functions for Operating Material and Supplies associated infrastructure supporting the Marine Corps Maintenance Center sites will transfer to DLA. The Marine Corps sites are Maintenance Center Albany (MCA) and Maintenance Center Barstow (MCB). The intent of the directive is to significantly improve combat effectiveness while reducing costs by developing a world-class, cost-effective supply chain focused on readiness; taking every opportunity to eliminate waste, reduce touches, reduce cost, and improve readiness. In accordance with the signed CONOPS, DLA has agreed to provide storage and distribution support to the Marine Corps sites.

   c. Transaction flow diagrams for generation of DS 947I Inventory Adjustment are shown at the enclosure.

d. Detailed Procedure: <mark>Changes from what was staffed by PDC 423 are highlighted in yellow.</mark>

STAFFING NOTE FOR DLA: DLA Logistics Management Standards Office found significant repetition between PDC 419[1] and PDC 423. To alleviate some of the repetition, our office focused the PDC 423 procedures for discrepant material, to only discuss the Supply Condition Code (SCC) changes and the associated owner changes. Request DLA review this section closely as part of this staffing and correct and clarify the detailed procedures in this section as needed, and provide the corrections/clarification as comments to PDC 423. The procedures as written may need some revision; for example there may be too many re-warehousing actions involved, especially for moving from SCC L or K, to SCC J. **DLA RESPONSE:** <mark>DLA J-6 Comment: J-6 believes the rewarehousing actions as stated in the detailed procedures are accurate. Future Process Improvement events may result in further streamlined process but the actions stated in the detailed procedures accurately reflects the DLA-Marine Corps agreed upon procedures.</mark>

(1) Re-warehousing with Material Discrepant upon receipt

(a) Marine Corps Maintenance Center systems will prepare the DS 527D PMR transaction (also known as Advance Receipt Information) in the Industrial Logistics Support Management Information System (ILSMIS) and transmit the PMR through DAAS to the DLA Distribution Standard System (DSS) operating the collocated DLA warehouse. The request will identify material scheduled for delivery to the collocated DLA warehouse.

(b) If material is <mark>known or</mark> suspected of being discrepant/deficient at receipt, DSS will send a DS 527R Receipt through DAAS to Marine Corps bridge (including original Issue Document Number which is addressed in PDC 423) moving material to SDR/PQDR owner RIC in SCC L or SCC K (if discrepancy resulted in unknown condition). <mark>For material that is known to be discrepant by the DLA warehouse, an SDR will be created. For material this is suspected to be discrepant, the warehouse location will be transmitted to the MCMC. The MCMC Quality Assurance Staff will inspect the material to determine if it is actually discrepant. If the material is discrepant an SDR will be prepared at that time.</mark> **STAFFING NOTE FOR DLA:** DLA must confirm that SCC K is only used for discrepant materiel when condition is unknown. SCC K is not used for discrepancies where SCC is known (e.g., quantity discrepancy). **DLA RESPONSE:** <mark>Yes. SCC K will only be used for discrepancies where the actual SCC is not known</mark>.

(c) When through a subsequent review it is determined that the material is not discrepant or the discrepancy is resolved, <mark>if an SDR was submitted the SDR will be cancelled</mark>, and DSS will send a 947I/DAC with QSAR Code 'AC-Condition Change' through DAAS to Marine Corps bridge to change the SCC of the material to SCC A, or J if a quality inspection is required. DSS will then re-warehouse the material to the proper Owner RIC. The re-warehousing process will produce a 947I (D8Z/D9Z) with W1901 QSAR Code 'AG-Ownership Change'. 947I/D9Z is loss to Marine Corps discrepant owner account and 947I/D8Z is gain to existing Marine Corps project owner account.

(d) If material in SCC J on MCMC records subsequently fails inspection and is determined to be defective then DSS will DAC the SCC of the material from J to Q using a 947I with

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[1] PDC 419 (reference 3d) addresses data content and procedures for DS 527D PMR and 527R Receipt, to support MC BRAC. PDC 419 proposes new data for 527D/527R to include a new quantity shortage field on the receipt.

QSAR Code 'AC-Condition Change'. DSS will then re-warehouse the material to the proper Owner RIC. The re-warehousing process will produce a 947I (D8Z/D9Z) with QSAR Code 'AG-Ownership Change' through DAAS to Marine Corps bridge. 947I/D9Z is loss to existing Marine Corps project owner account and 947I/D8Z is gain to Marine Corps discrepant owner account.

(2)   **Re-warehousing with owner RIC change**[2]

(a)   Marine Corps Maintenance Center systems will prepare and transmit the 940S, Warehousing Service Request to the DLA DSS operating the collocated DLA warehouse. The request will identify previous owner RIC (ILSMIS file designator or MRP II stock room) and the new requested owner RIC (ILSMIS file designator or MRP II stock room).

(b)   DSS logic will change the owner RIC associated with the material and will re-locate the material as necessary within the collocated DLA warehouse.

(c)   When re-warehousing action is completed DSS will communicate the action to the MCMC with a Warehouse Service Advice, 943A reflecting Action Certification Code A1 indicating the full quantity has been re-warehoused and protected.

(d)   In addition to providing the Warehouse Service Advice, DSS will create the inventory adjustment (947I) indicating an ownership change to reflect the inventory gain and loss (Document Identifier (DI) Codes D8_ and D9__, respectively).

(e)   DSS logic will produce a physical inventory request for all negative responses (Action Certification Code A2 or A3) on re-warehousing and/or protection actions. The materiel owner will receive an inventory adjustment as applicable based on the physical inventory count.

e.   **DS 947I Change Table. Revise DS 947I as shown table below.** Update to version 4030 is shown; corresponding update will be made to version 4010. [**NOTE: All new implementations should use 947I version 4030**]:

Item #	Location (Version 4030)	DS 947I Inventory Adjustment (Table addresses 947I version 4030, corresponding changes will be made to version 4010)	Reason
1	DLMS Intro Notes	Add ADC 402 to DLMS Introductory note: - *ADC 402, Revise DLMS 947I Inventory Adjustment Transaction and Associated Procedures to Support Marine Corps BRAC Storage and Distribution Interface (Supply)*	Identifies DLMS Changes included in the DLMS Supplement

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[2] PDC 384A (reference 3e) documents procedures for MC BRAC use of Warehouse Service Request (940S) and Warehouse Service Advice (943A).

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Item #	Location (Version 4030)	DS 947I Inventory Adjustment (Table addresses 947I version 4030, corresponding changes will be made to version 4010)	Reason
2	2/W1901/0200	Revise W1901 DLMS note: **DLMS Note:** 1. The information conveyed by the W1901 Quantity or Status Adjustment Reason Code corresponds to the functionality conveyed by the third position of MILSTRAP Document Identifier (DI) Codes D8_ or D9__, and by the DI Code DAC, DAD or DAS reasons for inventory adjustment, *when there is a corresponding MILSTRAP functionality*. The corresponding MILSTRAP DI Code is shown after each adjustment reason code below for information in a mixed DLSS/DLMS environment. *Codes for functionality that was not available in MILS show no corresponding MILSTRAP DI Code*.	Administrative update for clarification.
3	2/W1901/0200	**Revise DLMS notes for existing qualifier AG:** **AG Ownership Change** **DLMS Note:** Inventory Adjustment (Ownership). *Two Uses:* *(1)* Use for Single Manager for Conventional Ammunition (SCMA): gain, loss, or dual adjustment resulting from ownership transfer by the SMCA (DI Code D8S or D9S or DAS functionality in MILSTRAP; *use of these MILSTRAP DI Codes* is restricted to users of the conventional ammunition system). *(2) For DLA industrial activity support agreement with Marine Corps only, identifies a gain or loss resulting from ownership change associated with rewarehousing. This ownership change can be requested by the Marine Corps or can occur as a result of material identified as discrepant upon receipt. There is no corresponding MILSTRAP DI Code for this use, so D8Z/D9Z may be used to satisfy a DI Code requirement in a mixed DLMS/DLSS environment when a MILSTRAP DI Code is needed. Refer to ADC 402.*	To accommodate Marine Corps-DLA BRAC SS&D/IMSP requirement to change owner and rewarehouse material within the collocated DSS warehouse

5. Alternatives: EBS will not be able to support the Marine Corps BRAC Storage and Distribution Interface Spiral 2 processes using DLMS standard transactions and will need to consider non-standard options.

6. REASON FOR CHANGE: As a result of BRAC 2005 Storage and Distribution Interface, DLA DSS is required to send receipt information to the MCMC systems to ensure the same or better functionality exists after the implementation of BRAC 2005 as before.

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7. ADVANTAGES AND DISADVANTAGES:

     a. Advantages: MRP II, ILSMIS, and DLA DSS will be able to comply with DLMS standards for the Marine Corps BRAC Storage and Distribution Interface.

     b. Disadvantages: None identified.

8. DAAS Mapping: Update DAAS maps for 947I as required.

9. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: DLA and Marine Corps testing will begin November 15, 2010. Target implementation is February 22, 2011.

10. IMPACT:

     a. Publications:

     (1) Requires update to DS 947I.

     (2) Requires update to DOD 4000.25-M, DLMS, to add procedures for the MC BRAC Storage and Distribution Interface processes described by this PDC. DLA J-33 must document procedures for the DLMS manual and provide them upon approval of requested change.

     b. Automated Information Systems (AIS): Applicable DLA and MC systems.

11. DLMS Data Content: No new 947I data content.

12. PDC 423 RESPONSES:

Component	Response/Comment	Disposition
DLA	Concurs.	Noted.
Marine Corps	Concurs as written	Noted.
Navy	Concurs with PDC423 as written and submits no additional changes or amendments	Noted.
DLA Log Mgt Stds Ofc DOD SDR Administrator	Page 2, paragraph 4d(1)(c), must address that if the SDR was submitted and materiel was subsequently found NOT to be discrepant, the SDR will be cancelled. See revision in yellow highlight below for first sentence: "(c) When through a subsequent review it is determined that the material is not discrepant or the discrepancy is resolved, if an SDR was submitted the SDR will be cancelled, and DSS will…"	Change made.

Enclosure

Receipt Condition Code "A" to Stock with Freeze Code Material Discrepant upon receipt:
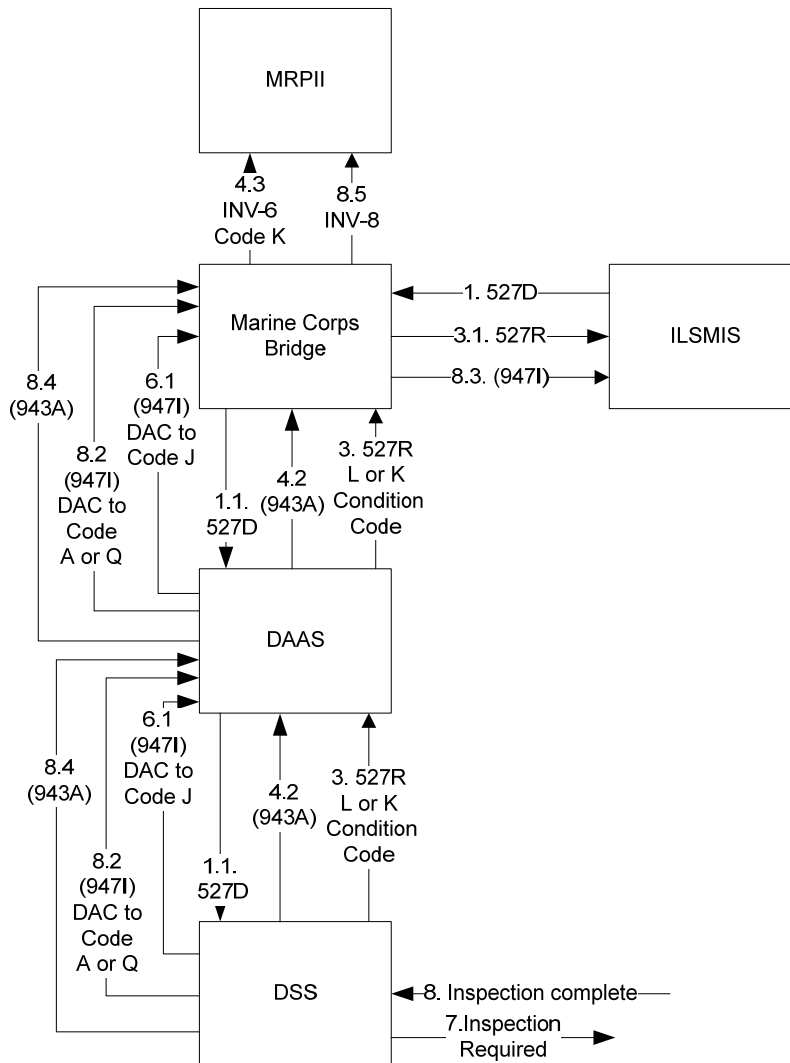
1. ILSMIS sends 527D to bridge to set inspection required flag on item
    1.1. Bridge passes 527D through DAAS to DSS
2. Material arrives in discrepant condition
3. DSS sends 527R from DSS through DAAS to bridge (including original Issue Document Number) moving material to SDR/PQDR owner RIC in condition code L or K
    3.1. Bridge sends 527R to ILSMIS
4. WebSDR created
   4.1. 842A created (future implementation) and passed from DSS through DAAS to Bridge

4.2. (943A) created and passed from DSS through DAAS to bridge for stow of discrepant material to SDR/PQDR owner RIC (including actual DSS location

4.3. INV-6 for condition code K passed from Bridge to MRP II

NOTE: Location in MRP II should be ILSMIS File Designator from issue document history table + a space " " + true DSS storage location,

NOTE: Marine Corps to create new table to store issue document history within bridge

5. If material is determined to be discrepant

5.1. Warehouse will follow discrepant process from section 6.2.2.4 Disposition of Discrepant Material

6. If material is determined not to be discrepant

6.1. DSS sends 947I DAC through DAAS to Bridge to change material to condition code J

7. Material requires inspection - (Quality Assurance notified)

8. Inspection Complete

8.1. DSS will DAC material (947I DAC) to condition code A for good material or Q for defective material

8.2. DSS passes 947I (D8Z/D9Z) through DAAS to Bridge

8.3. Bridge passes (947I) to ILSMIS

8.4. DSS passes 943A through DAAS to Bridge

8.5. Bridge passes (INV-8) to MRP II

9. Quality informs maintenance center supply tech to remove freeze code for material in ILSMIS (as necessary). ILSMIS should update inspection required flag for all open PMR records. Updated PMR (527D) sent from ILSMIS to Bridge

10. Updated PMR (527D) for any open Dues with NIIN sent from Bridge through DAAS to DSS

ILSMIS file designator change & MRP II stockroom change:

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                    ┌──────────────┐
                    │              │
                    │   2.1 MRPII  │
                    │              │
                    └──────────────┘
                       │        ▲
              2.2 Stock Room   4.1.
              Change (INV-8)  (INV-8)
                       ▼        │
                    ┌──────────────┐        1.2 Single    ┌──────────────┐
                    │ Marine Corps │◄───── line transfer ─│  1.1 ILSMIS  │
                    │    Bridge    │                      │              │
                    └──────────────┘                      └──────────────┘
                  │      │      ▲  ▲
          1.3 File  2.3   3.    │
         designator Stock 947I  4.
          change   Room  (D8Z/ (943A)
           940S   change  D9Z)
                  (940S)
                  ▼      ▼  │    │
                    ┌──────────────┐
                    │     DAAS     │
                    │              │◄───
                    └──────────────┘
                  │      │      ▲  ▲
          1.3 File  2.3   3.    │
        designato  Stock  947I  4.
          change   Room  (D8Z/ (943A)
           940S   change  D9Z)
                  (940S)
                  ▼      ▼  │    │
  ----1.4, 2.4 Re-warehousing----┌──────────────┐
                    │     DSS     │
                    │             │
                    └──────────────┘
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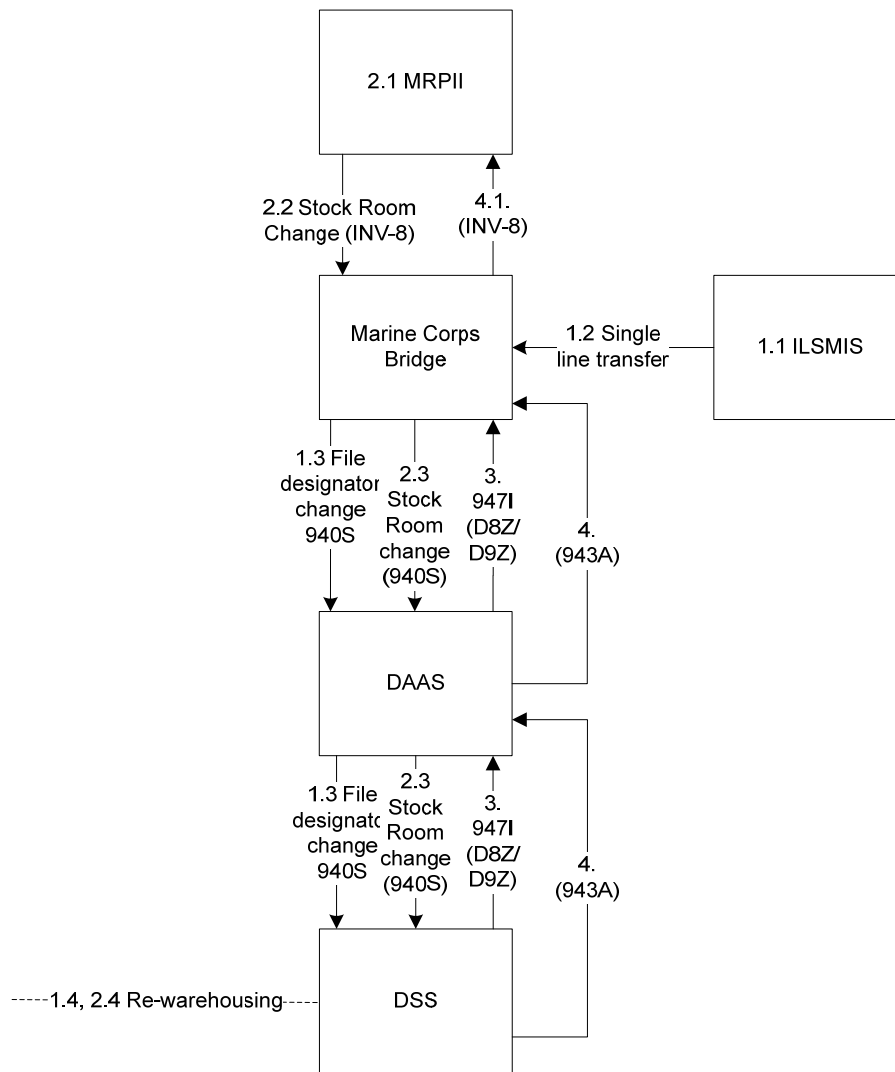
1. ILSMIS file designator change:

    1.1. Marine Corps will perform "Single line transfer".

    1.2. ILSMIS will send "Single line transfer" transaction to Bridge to identify file designator change

    1.3. Bridge will send 940S transaction to DSS to identify owner RIC (file designator) change

    1.4. DSS will re-warehouse the material if required based on physical location constraints

2. MRP II stockroom change:

    2.1. Marine Corps will perform INV-8 transfer.

    2.2. MRP II will send INV-8 transaction to Bridge to identify stock room change

    2.3. Bridge will send 940S transaction to DSS to identify stock room change

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2.4. DSS will re-warehouse the material if required based on physical location constraints

3. DSS sends 947I (D8Z/D9Z) to Bridge via DAAS.

4. If owner change is within SDR/PQDR stock room then (943A) created and passed from DSS through DAAS to bridge for stow of material to SDR owner RIC (including actual DSS location)

4.1. INV-6 for condition code A to owner RIC associated with SDR cage passed from Bridge to MRP II