



DEFENSE LOGISTICS AGENCY
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IN REPLY
REFER TO

J627

January 05, 2012

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 470,
Revise DLMS Supplement (DS) 846R, Location Reconciliation Request in Support
of Reutilization Business Integration (RBI) (Staffed as PDC 437) (Supply)

The attached change to DOD 4000.25-M, Defense Logistics Management System (DLMS) is approved for implementation.

Addressees may direct questions to Mr. Lou Madrigal, 703-767-2011 or DSN: 427-2011 or email to: luis.madrigal@dla.mil. Others must contact their Component designated Supply PRC or JPIWG representative.

DONALD C. PIPP
Director
DLA Logistics Management Standards

Attachment
ADC 470

cc:
ODASD(SCI)
JPIWG

ATTACHMENT TO ADC 470

Revise DLMS Supplement (DS) 846R, Location Reconciliation Request in Support of Reutilization Business Integration (RBI)

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

- a. **Service/Agency:** Defense Logistics Agency Disposition Services
- b. **Technical POC:**
DLA Logistics Information Service (LAR) DSN 661-5929, Commercial 269-961-5929
- c. **Functional POC:**
DLA Logistics Information Service (LAR) DSN 661-5872, Commercial 269-961-5872
DLA Logistics Information Service (LAR) DSN 661-5723, Commercial 269-961-5723

2. FUNCTIONAL AREA:

- a. **Primary/Secondary Functional Area:** Primary: Supply/Logistics DLA Disposition Services
- b. **Primary/Secondary Functional Process:** Primary: Material Delivery Notification DLA Logistics Information Services

3. REFERENCES:

- a. DOD Supply Chain Material Management Regulation, DOD 4140.1-R, Chapter 5 (<http://www.dtic.mil/whs/directives/corres/pdf/414001r.pdf>)
- b. DOD Financial Management Regulation, DOD 7000.14-R, Volume 4, Chapter 4 (<http://comptroller.defense.gov/fmr>)
- c. Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP), DOD 4000.25-2-M, Chapter 7 (http://www.dla.mil/j-6/dlmsso/elibrary/manuals/milstrap/word/012_chap07_ch4.doc)
- d. DLMS Manual, DOD 4000.25-M, Volume 2, Chapter 6, (http://www.dla.mil/j-6/dlmsso/elibrary/manuals/dlms/msw/v2/v2c6_chg5.doc)

4. BACKGROUND: The DLA Disposition Services (formerly Defense Reutilization and Marketing Service (DRMS)) is a worldwide presence within the Department of Defense, with disposal specialists in 14 foreign countries, two U.S territories, and 39 states. DLA Disposition Services' mission is the execution of disposition solutions for excess military property. The Reutilization Business Integration (RBI) project will replace the DLA Disposition Services Automated Information System (DAISY) by integrating DLA Disposition Services business processes within the DLA enterprise suite of applications, including the Distribution Standard

System (DSS) and the Enterprise Business System (EBS). Significant revisions subsequent to staffing of PDC 437 are identified in yellow highlighting.

a. Intent of the Transaction: This ADC covers modifications to the 846R Location Reconciliation Request transaction (846R beginning segment BIA02 Report Type Code 'LC' (MILSTRAP DI Code DZH functionality)). With the inclusion of the RBI functionality in DSS, this transaction needs to be updated to include passing a Disposal Turn-In Document (DTID) number, and the Demilitarization Code (DEMIL code). DLA Disposition Services use the DTID number to uniquely identify individual property, as well as performing all inventories and accounting processes. The DTID number is also used to track, control and perform all disposition of all DLA Disposition Services property. The DLA Disposition Services uses the DEMIL Code in order to control property that is turned in from the services, and is received, stored, or sold from its locations worldwide. DLA Disposition Services complies with all DOD policies and regulations to identify and apply controls, worldwide, over materiel to prevent its diversion to entities unfriendly to U.S. interests and to prevent unauthorized use.

b. Scenarios for which the transaction is used: The DLA Disposition Services uses the DTID number to uniquely identify individual property, as well as performing all inventories and accounting processes. The DTID can serve as the primary document number in a transaction (most cases) or it can be a secondary identification where there is an actual customer document number (requisition and receipt transactions).

1) 846R Location Reconciliation Request/Notification (DZH, DZN) Since there will be two separate records of inventory, one in DSS (accountable) and the other in EBS (owner record), there is a need to ensure that these two inventories are kept in sync at the DTID level. In order to comply with the DOD policy, reconciliation will be done both daily and annually. DZH and DZN transactions will be sent from DSS to EBS to provide the information needed to complete these reconciliations. DZH transactions will be sent with on-hand balances of inventory line items, which for RBI equals a DTID. The DZN transactions will provide the count of closing balance transactions being forwarded and the associated cut-off date.

2) For annual reconciliations, the DZHs will be sent for all inventory at a DLA Disposition Service Field Office, and for daily reconciliation, DZHs will be sent for inventory which had balance affecting transactions (receipts, issues, adjustments, etc.) during that day. The inventory data sent on the DZHs will then be compared to the inventory data in EBS. For any mismatches found during daily (End of Day) or the annual (Total Reconciliation), DLA Disposition Services owner system personnel will be notified to perform research and corrective actions.

c. Procedures, transactions, data elements, processing details in use today: Since the accountable and owner records are currently resident in one system (DAISY) there is no need to reconcile.

5. PROPOSED CHANGES(S):

a. Requested changes in detail:

1) In the DLMS transaction 846R Location Reconciliation Request (MILSTRAP DZH), DLA Disposition Services needs to provide the DTID number.

2) In the DLMS transaction 846R Location Reconciliation Request (DZH), DLA Disposition Services will include the DEMIL code for items demilitarized under RBI.

a. Proposed procedures: The 846R will be passed from DSS to EBS each day in order to communicate inventory counts at a particular Disposition Services Site. A list of individual Disposition Services Sites for which the 846R should be sent, as well as the schedule for when they should be sent, will be maintained by DSS in the DSS Ownership Compliance table. This table will specify that all the DLA Disposition Services Sites will pass daily reconciliation transactions each day as well as total reconciliation transactions on an annual basis.

DLA Disposition Services will use the DTID number to uniquely identify individual property turned into worldwide Field Offices. The DTID number will be used to track inventory from pre-receipt through sales or final disposal. The DEMIL Code will be used to ensure all military and government property will enforce proper property controls.

b. Alternatives: There are no other alternatives for these proposed processes. The DTID and the DEMIL Code need to be added to this transaction to provide DLA Disposition Services with accurate inventory reporting and property control.

6. REASON FOR CHANGE: With the addition of DLA Disposition Services business processes into the DSS and EBS systems, data elements and transaction information need to be introduced in a DLMS transaction to transmit information between systems.

7. ADVANTAGES AND DISADVANTAGES:

a. Advantages (tangible/intangible): Adding the DTID number to the transaction information will ensure the proper property identification and tracking capabilities. Adding the DEMIL Code will ensure that demilitarization information will be passed to prevent those who are not eligible to receive government property from receiving it.

b. Disadvantages: There are no disadvantages to adding both the DTID number and DEMIL Code to the transaction.

8. ASSUMPTIONS USED OR WILL BE USED IN THE CHANGE OR NEW DEVELOPMENT (OPTIONAL): The DTID and DEMIL Code will be passed on this transaction.

9. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: January 2012

10. IMPACT:

a. New DLMS Data Elements for the 846R: Demilitarization Code.

b. DLMS 846R Change Table: Request Code addition for the 846R and identification of when the TN, Document Number is a DTID for RBI.

Item #	Location	DS 846R Revision	Reason
1.	DLMS Introductory Notes	<u>Add ADC 470 to DLMS Introductory Note 6:</u> - ADC 470, Revise DLMS Supplement (DS) 846R, Location Reconciliation Request in Support of Reutilization Business Integration (RBI) (Supply)	Identifies DLMS Changes included in the DS.
2	2/REF01/140	<u>Revise DLMS note for 'TN' Document Number to insert DTID note and apply numbering:</u> TN Transaction Reference Number DLMS Note: 1) Use to identify the document number. 2) For Disposition Services, use to provide the Disposal Turn-In Document (DTID) number. 3) Use of transaction number (document number), with location reconciliation transactions, is a DLMS enhancement and procedures for use must be developed. See introductory DLMS note 4a.	To accommodate RBI requirement. Normally DTID would just be referred to as the document number, but there is a Disposition Services need to specifically call-out the DTID in the note of 846R.
3.	2/LQ01/270	<u>Add FD qualifier with DLMS note:</u> FD Demilitarization Code DLMS Note: Authorized DLMS enhancement for use by DLA Disposition Services only. Refer to ADC 470.	To Accommodate mapping product requirement.

c. Publications: Requires update to DLMS 846R Location Reconciliation Request transaction as noted. Requires update to DOD 4000.25-M, DLMS as shown in Enclosure 1.

Enclosure 1, DLMS Manual Revisions

Add the following paragraphs to C16.6. and rename C16.6 to be: Processing Materiel and Maintaining Accountability by the DLA Disposition Services and Field Offices:

C16.6.2. Maintaining Property Accountability. The accountable property record for inventory owned by the DLA Disposition Services shall be maintained by the DLA Disposition Service Field Office system. DLA Disposition Services system shall maintain the owner's total item property record and financial accounting for DLA Disposition Service Owned property. End of Day processing and an Annual Reconciliation shall occur to ensure that the two inventory records are kept in sync at the DTID level.

C16.6.2.1. The Field Office system shall maintain an Owner Compliance Table to ensure daily (End of Day) and annual (Total Reconciliation) requirements are executed based on pre-established business rules in compliance with DLMS, Vol. 2, Chapter 6.

C16.6.2.2. The DLA Disposition Service (owner) system and the DLA Disposition Field Office (storage activity) system shall match all active records daily (i.e. DTIDs that had any transaction affecting record balances) on-hand balances.

C16.6.2.2.1. The Field Office system (storage activity) shall send the daily closing balance for each affected DTID using the 846R, Location Reconciliation Request transaction, Report Type Code LC and the type of reconciliation code for end of day processing. The 846R shall contain the Demilitarization Code (DEMIL code), which corresponds to the stock number for that DTID. The DEMIL code shall be included in the match of item data characteristics (unit of issue, condition code, CIIC, and DEMIL code) to ensure compatibility between storage activity and owner systems.

C16.6.2.2.2. The Field Office system (storage activity) shall also send an 846R, Location Reconciliation Notification, Report Type Code X4, to advise DLA Disposition Services of the total number of daily DTID closing balance transactions (number of 846R 'LC' transactions) being forwarded and the associated cut-off date. Imbalances shall be programmatically researched to assure consideration of in-float documents, delayed transactions, and duplicate transactions.

C16.6.2.3. All DLA Disposition Services owner and Field Office storage activity records (active and inactive, including zero balances) shall be reconciled at least once each fiscal year (Total Reconciliation).

C16.6.2.3.1. The Field Office shall prepare location reconciliation requests by line item (DTID) for each DTID regardless of the balance (including zero balances), using the 846R, Location Reconciliation Request transaction, Report Type Code LC and the type of reconciliation code for annual location reconciliation. The Location reconciliation Request shall contain the DEMIL code which corresponds to the stock number for that DTID. The DEMIL

code shall be included in the match of item data characteristics (unit of issue, condition code, CIIC, and DEMIL code) to ensure compatibility between storage activity and owner systems.

C16.6.2.3.2. The Field Office (storage activity) system shall also send an 846R, Location Reconciliation Notification, Report Type Code X4, to advise DLA Disposition Services of the number of annual DTID closing balance transactions (846R Type Code 'LC' transactions) being forwarded and the associated cut-off date. Imbalances shall be programmatically researched to assure consideration of in-float documents, delayed transactions, and duplicate transactions.

C16.6.2.4 "For any mismatches found the DLA Disposition Services personnel shall ensure that potential or actual inventory accounting adjustments are researched and corrected in accordance with the value of the adjustment and type of item involved. Emails shall be sent to the appropriate Disposition Services Field Office personnel requesting assistance to isolate errors in data transmission."

Enclosure 2, Response to PDC Staffing

	Originator	Response/Comment	Disposition
1.	Marine Corps	Has reviewed subject PDC and concurs as written.	Noted.
2.	Navy	Concurs with PDC 437 as written and submits no additional changes or amendments.	Noted.
3.	HQDA DCS G-44(S)	<p>Concurs with 437 846R with comment.</p> <p>CASCOM reviewed PDC 437. Functional process changes identified in PDC 437 will impact GCSS-Army Release 1.1.1 scheduled for 4th Quarter 2011. The GCSS-Army system will require the ability to produce the DICs mentioned to turn-in to RBI. Release 1.1.1 has been base lined but if opportunity presents itself will try to push PDC to Release 1.1.1. In order for capability to be captured in Release 1.2 GCSS-Army.</p>	Noted.
4.	Air Force	<p>Concur with comments.</p> <p>The RDS Command functional OPR and the ALC RDS DPCOs concur with Proposed DLMS Change 437 (846R). This e-mail serves as AFMC official response regarding this DLMS Proposal. The ALC RDS DPCOS request that all the DAISY reports made available today be made available in the future. In regards to the three data elements that RBI and EBS must have on disposal reconciliation requests, RDS A5Js contain the DTID along with DEMIL Code. However, RDS A5J transactions do not contain the Weapon Serial Number. Any requirement to add Weapon Serial Number to RDS A5J transactions would have to be directed in an Approved DLMS change. The RDS Command OPR would then document the requirement in a CSRD that would have to be evaluated to see whether it could be implemented in RDS legacy system or whether it would have to wait to be delivered as part of ECSS implementation.</p>	Weapon Serial Number was proposed for addition after PDC 437 was staffed. It has since been rescinded as a requirement and is not included in the ADC.

5.	DLA	<p>Concur with comments.</p> <p>1. Recommended changes to PDC 437:</p> <p style="padding-left: 40px;">a. Paragraphs 4.a, 4.b, 5.a.1. and 3. imply that the DZH and DZN should include the DEMIL Code. However, the DZN (846R 1/BIA02 Report Type Code ‘X4’) merely provides a ‘transaction count’ (number of DZHs transmitted). Therefore, the DEMIL Code entry is not required for the DZN because it could not directly relate to a specific line item (stock number + condition code, or DTID number). Paragraph 5.a.2. should also be changed to delete DZN, since it will not carry DTID either. In all cases, DEMIL and DTID are only found on DZH version of the 846R; never on DZN version of the 846R. Recommend the ADC be revised accordingly.</p> <p style="padding-left: 40px;">b. Paragraph 4. b., subparagraph 1, the last sentence, should be clarified to define the term ‘inventory line items’. For non-RBI processes (C6.2.6.2.) the DZH is generated by line-item (stock number + supply condition code = line item). However, PDC 437 re-defined the term line item to equal DTID number for DLA Disposition Services owned material. DoD 4000.25-M procedures will use the unique (DTID) line item definition, for RBI reconciliations efforts. Recommend the ADC highlight the unique RBI line item definition equals DTID.</p> <p>2. Request for clarification. Paragraph 4.b., subparagraph 2, the last sentence states ... “For any mismatches found, email notifications will be sent to the appropriate DLA Disposition Services personnel so that they may be investigated and corrected”. As written, it is unclear whether the email notification is going to DLA Disposition Services (Battle Creek) personnel, or to the Field Office personnel. Request clarification in the ADC to ensure consistency with DLMS, Vol. 2, Chapter 6 policy, specifically</p>	<p>Agree. Noted sections modified to clarify that DEMIL Code is applicable to DZH functionality, and removed DZN where it is not contextually relevant.</p> <p>Agree. Added a clause to the sentence in 4.b.1 to draw attention to the fact that, for RBI, a line item equals a DTID.</p> <p>Agreed. Adopted recommended language.</p>
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	<p>paragraphs C6.6.2.4., whereby the inventory owner is responsible for research and resolving location reconciliation mismatches. Suggested ADC wording: “For any mismatches found during daily (End of Day) or the annual (Total Reconciliation), DLA Disposition Services owner system personnel will be notified to perform research and corrective actions.” It would also be beneficial to know if these are “Resolution Specialists” at Battle Creek who perform this function and if they will have direct access to DSS histories when they perform their research. Please note we have reserved a paragraph in the draft procedures below to describe this process at a high level.</p> <p>3. Suggested future enhancements to the RBI reconciliation process:</p> <p style="padding-left: 40px;">a. Future RBI reconciliation enhancements should consider using the 846P (MILSTRAP DZJ functionality) to request Transaction History Transmittal and programmatically research to assure consideration of in-float documents, delayed transactions, duplicate and rejected transactions. This would minimize the amount of manual research required.</p> <p style="padding-left: 40px;">b. Also, future RBI reconciliation enhancements should consider using the 824R and 888I (MILSTRAP DZG/DZB functionality) to correct item data discrepancies (between DSS/EBS) found during the location reconciliation process.</p>	<p>Noted. Shared with RBI.</p> <p>Noted. Shared with RBI.</p>
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