



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

June 28, 2017

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Defense Logistics Management Standards (DLMS) Supply Process Review Committee (PRC) Meeting 17-1, May 17, 2017

The attached minutes of the DLMS Supply PRC Meeting 17-1 are forwarded for your information and action as appropriate.

The Enterprise Business Standards Office points of contact are Ms. Ellen Hilert, (703) 767-0676, DSN 427-0676; or email ellen.hilert@dla.mil, Ms. Mary Jane Johnson, (703) 767-0677; or email mary.jane.johnson@dla.mil, Mr. Eric C. Flanagan, (571) 363-9291; or email eric.flanagan@dla.mil and Mr. Rafael Gonzalez, (717) 770-6817, DSN 771-6817, or email rafael.gonzalez@dla.mil.

HEIDI M. DAVEREDE
Program Manager
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Attachment
As stated

DISTRIBUTION:
ODASD (SCI)
ODUSD DPAP (PDI)
Supply PRC
Attendees



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MEMORANDUM FOR RECORD

SUBJECT: Defense Logistics Management Standards (DLMS) Supply Process Review Committee (PRC) 17-1 Meeting, May 17, 2017

Purpose: The Enterprise Business Standards Office (EBSO) hosted the subject meeting at DLA Headquarters. A list of attendees, the meeting agenda, and briefing materials are available on the Supply PRC webpage: <http://www.dlmso.dla.mil/Programs/Committees/Supply/supplyPRC.asp>. Meeting related material is hyperlinked to each of the topics in the meeting agenda file.

Brief Summary of Discussion: Mr. Eric Flanagan (Alternate DOD MILSTRIP Administrator), Mr. Rafael Gonzalez (Alternate DOD MILSTRAP Administrator) along with Ms. Ellen Hilert, (Supply PRC Co-Chair/DOD MILSTRIP Administrator), and Ms. Mary Jane Johnson (Supply PRC Co-Chair/DOD MILSTRAP Administrator) facilitated the discussion. The Action Item Tracker contains the action items for the meeting and the most recent version will be posted to the Supply PRC webpage. Action items are due 30 days from the date of the minutes unless otherwise specified in the Action Item Tracker.

Review of Meeting Topics:

a. Agenda Topic 1 – ODASD (SCI) Integrated Process Team Update. Mr. Bob Carroll, ODASD (SCI), provided an update on several ongoing ODASD (SCI) IPT initiatives.

- **DLMS Implementation IPT.** Mr. Carroll noted the ODASD (SCI) involvement upon realizing that the Components are at risk of not meeting the December 2019 DLMS implementation date, and that senior leadership visibility is vital to meeting DLMS implementation goals. ODASD (SCI) established the DLMS Implementation IPT with the intent to create a focused group that encourages the Components to recognize DLMS enhancements and provide the desired visibility of this effort. The Components are asked to provide their implementation plan to become fully DLMS compliant. The EBSO Program Manager, Ms. Heidi Daverede, and Ms. Hilert explained compliance levels and committed to updating the definition of Level III (Fully Compliant) to clarify that this level of compliance is based upon meeting established implementation target dates for Approved DLMS Changes (ADCs). Mr. Carroll explained that most Services will finalize their plans by Summer 2017, and noted that the Marine Corps asked for additional time, providing an estimate of December 2017. The 4th Estate (DOD Agencies, which includes the DOD agencies outside of military departments) are a little behind, but SCI will obtain a plan from them as well. The 4th estate does not include the General

Services Administration (GSA) or Federal Aviation Administration (FAA). Topic 2 contains more detail on the specifics of how the DLMS implementation will be tracked. Additional comments on this topic were:

- Jan Mulligan, ODASD (SCI) noted that GSA is a standing member of the Supply Chain Executive Steering Committee (SCESC), and is thereby aware of the focus on DLMS implementation. Ms. Hilert (EBSO), sent a reminder on June 5, 2017 about obtaining implementation involving GSA and FAA in the DLMS IPT.
- Budget Programming for DLMS. Ms. Stephanie Lopez (DLA J-345) asked Mr. Carroll about budget programming for DLMS implementation. Mr. Carroll responded that OSASD (SCI) gives overall guidance but the Components need to identify the costs and program for the implementation. Ms. Daverede explained DLMS implementation is not a new requirement and that the Components have had a longstanding requirement to plan and budget for the requirement. DLA has an open action to provide the Services with a cost factor for implementing ADC 1198 in their budget process. Ms. Joy Carter (DLA J345) commented that DLA is still in the data collection phase and will pass the estimates to the Services. Ms. Lopez stated that DLA and the Services need to be aware of the additional cost to maintain this functionality. Ms. Daverede provided a summary comment noting that to implement ADC 1198 and other item unique identification (IUID) and serial number tracking changes, DLA has two types of costs, 1) investment costs and 2) the costs to implement and maintain the business process. Additional resource costs (particularly personnel) to implement the higher level of management may cause additional costs that will pass to the Services.
- Mr. Carroll closed this topic stating that DOD senior leadership realizes that some Components cannot implement all DLMS changes by December 2019. He stated that the purpose of this IPT is to ensure the DOD Senior leadership is aware of the plan/status and progress on DLMS implementation so there are no surprises in December 2019.

- **Inter Service Supply Maintenance Visibility IPT.** This IPT examined Depot Maintenance Inter Service Support Agreement (DMISA) relationships and the associated transactions and barriers to implementation. The IPT evaluated the existing transactional workarounds and how to implement the necessary transactions from a supply maintenance asset visibility perspective, and remove current manual workarounds. Mr. Carroll noted that ODASD (SCI) may not fix all problems, but views their role in all of these IPTs as a facilitator of the process to bring the players together. Meetings have tapered off with the positive actions being taken. Mr. Carroll encouraged the Services to continue to identify and work gaps with missing transactions, use the contacts established through the IPT process, and work with the EBSO and DLMS Process Review Committees (PRC). Two DLMS Changes providing clarification and process improvements for the associated business processes were addressed by the IPT. Ms.

Hilert noted that ADC 1176¹ is authorized for implementation, but (as of the meeting date) no Component responses for Proposed DLMS Change (PDC) 1256² had been received.

- **Supply Finance Policy Alignment (SFPA) IPT.** This IPT was formed to address issues that might be affected by conflicting policy in the Supply and Finance areas. Two ongoing items are being addressed

- **De Facto Materiel Receipt Acknowledgement (MRA).** This issue originated with DLA not receiving MRAs in a timely manner from many of their customers. DLA elevated the MRA issues to focus on improving their ability to close out the billing cycle, to include generating a DLA “De Facto MRA”, without any evidence of customer receipt. DLA is working closely with their Service Customers to more closely determine why DLA has missing MRAs, and what additional procedures could be put into place to resolve the problem specifically with customer direct orders (direct vendor delivery (DVD)).
- **Interfund Billing.** Army identified a gap related to timing of Interfund billing for government to government sales. For example, DLA and some Services bill at time of shipment for issues out of DLA Distribution and the Army is concerned that a finance policy conflicts with supply policy. The Army auditors believe that finance and supply policy are not harmonized to adequately identify ownership while materiel is intransit. This became apparent when questioning the Components perspective when shipping versus when receiving and finding differences (shipper’s perspective may be Free on Board (FOB) Origin while receiver’s perspective for same shipment may be FOB Destination). Mr. Robert Hammond, (DLMS Finance Chair) noted that the seller typically drops an item from inventory upon shipment and buyers do not pick it up on their records until receipt. DODM 4140.01 supply policy clearly states that the owning materiel manger that directed shipment owns the in-transit materiel until the receiving activity acknowledges receipt. All Components need consistency in policy and practice to get through audits successfully.
- **Signature Issue with Air Force Items.** This was an initial SFPA topic concerning the Air Logistics Centers co-located with the DLA storage activities. The issue was the Air Force desire to get a “wet” signature on the DD 1348-A Issue Release/Receipt Document. The result of this SPFA was there was no policy requirement to support the Air Force request for a wet signature and no further action would be taken. The SPFA topic was closed.

b. Agenda Topic 2 – ODASD SCI DLMS Implementation Update – Tracking DLMS Implementation. Mr. Larry Tanner (EBSO contractor support) provided an overview of the DLMS Implementation IPT’s procedures to track implementation of ADCs. Mr. Tanner

¹ ADC 1176 – Revised Procedures for Requisitioning under Inter-Service Maintenance Agreement (Project Codes 3AB, 3AD, 3BB) and Revised DLMS 832N Catalog Data Support for Defense Logistics Agency (DLA) support of Navy Fleet Readiness Centers (FRCs)

² PDC 1256 – Automatic Return of Unserviceable Repairable Parts Replaced During Maintenance and Associated Credit Processing

addressed the DLMS Governance process and the levels of DLMS compliance. A question was raised during the discussion regarding the release of new ADCs, and how they affect DLMS Compliance Levels. EBSO explained that the office is working on a new approach where each ADC will have an implementation date, and that DLMS compliance will be based upon the implementation date. Ms. Hilert noted that the increased visibility of the ADC implementation date, and greater use of staggered implementation, will enable the Components to better manage their DLMS Compliance level. EBSO is revisiting the gap between DLMS Compliance Levels II and III, and more focus will be placed on the implementation date. Ms. Daverede noted EBSO's effort to modify the definitions in the DLMS Manual so the Components can implement the target dates (particularly staggered implementation). The desire is to get to more feasible dates but will need to establish hard end dates for staggered implementation and need the PRC representatives to identify the real target dates in their response to proposed DLMS changes. In the absence of a Service provided date – DLMS will create the implementation date until changed by other events such as input from the SCESC.

The current number (682) of ADCs will be updated as new ones are added. Additionally, the DLMS Implementation Team, with support from EBSO, will identify ADC/PDC categories to be included in new PDCs and ADCs going forward.

Ms. Hilert noted that the way the spreadsheet is setup assumes the Components were compliant with legacy requirements not necessarily related to DLMS and some changes have not been implemented in legacy systems. The EBSO is looking for a way to identify DLMS compliance if the core legacy items are not implemented.

Action Item 1: The EBSO will update the PDC Template with the DLMS Change Categories and post the updated file to the EBSO Website

Action Item 2: The EBSO will provide ODUSD (SCI) with suggested input for the additional IPT guidance to require that the Components stipulate to full implementation of legacy requirements.

c. Agenda Topic 3 – Army's Use of Contractor DODAACs with DFAS Bill-To Address in the DoDAAD (Type Address Code (TAC) 3). Ms. Lori Peterson, DFAS JJE, explained that the Army establishes contractor DODAACs citing DFAS as the bill-to party for the purpose of supporting Government-furnished materiel (GFM) requisitions, which use fund codes associated with Army lines of accounting. This is an invalid combination of data and conflicts with MILSTRIP and MILSBILLS procedures. MILSTRIP rules for recognizing GFM versus contractor-furnished materiel (CFM) are circumvented because the requisition gives the appearance of CFM when it is actually GFM, which requires government inventory accountability and Material Control Activity validation prior to processing the requisitions. In addition, there is potential for contractor abuse (as bills go directly to DFAS in most cases), DOD financial systems are unable to correctly identify the buyer (trading partner) as non-DoD for Treasury reporting and financial eliminations, and there are significant, manual, costly unsustainable manual bill processing and timely bill processing/payment issues (affecting seller cash flow and buyer obligation clearance). DLA is properly billing these requisitions via non-Interfund (in accordance with MILSBILLS) and now has a backlog of aged open receivables

Although the preponderance of contractor DoDAACs constructed with DFAS bill-to offices belong to the Army, the Army is not alone in this practice.

- Mr. Mike LaMonica (U.S Army Financial Management Command (USAFMCOM) Global Combat Systems Support Operations (GCSS) - Army Finance Division) noted they are receiving approximately 1,000 bills per month (due to in part to GCSS Army not being able to accept non-Interfund bills) and the existing process is extremely labor intensive and unsustainable. The current manual billing process estimate is \$30.00 per transaction to process. There are currently approximately 8.6K unmatched disbursements (UMD) totaling \$18.3 million due to this issue. Mr. LaMonica estimated more than 100 of hours of work each month for DFAS and the Army collectively. This requires manual work around and lots of time to process into the Inter-Governmental Payment and Collection (iPAC) system and getting them to process. This a Financial Improvement and Audit Readiness (FIAR) audit issue.

- Mr. Tad DeLaney (EBSO DoD Activity Address Directory (DoDAAD) Chair) noted that a new contractor flag was established in the DODAAD to provide greater flexibility in DoDAAC assignment and eliminate reliance on the first and second position of the DoDAAC to identify Government and contractor DoDAACs. However, existing business processes still use this business rule for MCA/GFM validation.

- Mr. Hammond noted one known root cause is contractors performing supply functions in theatre to provide material, which may be GFM, without structuring the requisitions properly to identify the correct bill-to party as a Government entity. This practice may be due in part to instances the bill-to activity is not also the Government ship-to entity, such that the legacy MILS supplementary address DODAAC cannot be cited. Proper use of Signal Code L to identify the bill- to party via the fund code and the authoritative MILSBILLS Fund Code to Billed Office DoDAAC table (known as third party billing), would resolve this legacy limitation, however, Army and others may not properly implemented this process and there may be a limitation of available two character fund codes to support this. In DLMS variable length transactions, the bill-to party is a distinct, separate data element. DLMS implementation is mandated by 2019.

- Ms. Hilert questioned how a requisition billed via SF 1080 IPAC process (non-Interfund) addressed to the contractor is getting to GCSS Army. The processing uses the TAC 3 fiscal station which is associated with a GCSS Army correlation table. After the meeting, DLA reported this scenario has reverted to billing via non-Interfund.

- Ms. Hilert noted this issue was previously identified to the Army and no action has been taken. These transactions are GFM and should show a Government DoDAAC as the bill to address. Ms. Hilert asked Ms. Ruth Kemper (Army LMP) to take this back to the rest of the Army team and develop a corrective action. She proposed the Army to correct the business process for future contracts if it is not feasible to correct existing contracts. Ms. Kemper noted there is an active group addressing this issue and the Army has a plan to implement a fix.

Action Item 3: All Components use the DoDAAD to identify contractor DoDAACs associated with a DFAS TAC 3 billing address and take corrective action taken to transition to the use of Government DoDAACs for GFP requirements (inclusive of DoDAAD updates for an appropriate contractor address for billing). All Components must ensure internal guidance

for contractor DoDAAC creation prohibit future use of DFAS billing addresses for contractor DoDAACs. Provide interim and/or final status to EBSO (DLMSSupply@dla.mil).

d. Agenda Topic 4 – Overview of Draft PDC 1267 for DLMS 830D to support Navy/DLA Gross Demand Panning (GDP). Mr. Pearlis Sturgis (DLA J343) provided an update on DLA’s demand planning effort to support the GDP between Navy Fleet Readiness Center (FRC) and DLA. The FRC customers generate the GDP flat file (National Stock Number, Quantity and Required Delivery Date) to DLA in support of their production line. . The current GDP flat file is created by the Navy Depot Maintenance System (NDMS) and sent to DLA via DAAS as a “pass through” with no validation of the requirement. Although DLA has logic to process the GDP flat file, it does not comply with the DLMS format. DLA, in collaboration with the DLMS Program Office, is developing a PDC to use the DLMS 830D (Demand Data Exchange (DDE) Projected Supply Plan) transaction for this function. Mr. Sturgis noted the current action being taken by Navy to create the 830D from Navy to pass to DLA. PDC 1267 is currently under development however one of the most significant changes will include the use of two decimal positions in the quantity field.

- A question was raised regarding sending the 830D demand planning transaction to the other Services for other Service managed items. The Navy wants DLA out of the business of planning for Navy-owned, or other Service assets. Under the requirements of the BRAC law, the GDP file went to DLA EBS regardless of the managing inventory control point (ICP). Requirements have evolved and now the 830D DDE Projected Supply Plan transaction should be going to the other Services versus DLA for the non DLA managed materiel. However for transition to DLMS 830D, the Navy maintains that the FRC has a maintenance system which does not have supply system functionality to route the 830D to Service ICPs. Ms. Hilert noted that DLA should be taken out of the middle per similar reengineering changes, notably, the ongoing FRC requisitioning support transition.. She stressed the point that the demand forecast should go to the relevant Service or DLA not just to DLA. If the FRC cannot identify the appropriate recipient, DAAS routing could be employed to send the transaction to the manager. Submission of DLMS 830D to Service ICPs and to GSA would be a new function for the Service ICPs and GSA. Prior to this change, only DLA EBS received and processed DLMS 830D transactions. Mr. Sturgis noted this topic is still being addressed in ongoing meeting between DLA and the Navy. The PDC is in preliminary draft stage and is evolving.

- Ms. Hilert also advised Mr. Sturgis that PDC 1267 needs to be clear on how the unit of measure conversion is created as the FRC system does not contain the unit of measure conversion for DLMS compliance and DAAS currently does their conversion.

e. Agenda Topic 5 – Overview of DLMS Enhancements Supporting Air Force Government Furnished Property-Accountability (GFP-A). Mr. Flanagan and Mr. Gonzalez, (EBSO) provided an information brief on the set of DLMS changes for the Air Force GFP-A Capability Initiative to enable accountability of contractor-managed and possessed Air Force-owned property. The GFP-A Capability Initiative will implement standard processes to address a material weakness on Air Force Financial statements. Under the GFP-A approach, Air Force Contractor Inventory Control Points (CICPs) are required to share inventory accounting and balance-affecting transactions with the Air Force Accountable Property System of Record (APSR). The Air Force selected the Defense Property Accountability System (DPAS) as its

APSR. Air Force CICPs will use their own commercially available inventory management systems (IMs) to manage property and communicate with the APSR using DLMS.

One problem identified is that the Air Force is facing a shortage of available routing identifier codes (RICs) to identify Air Force program managers, who own the materiel and equipment managed by the CICPs. To mitigate a risk, the relevant DLMS transactions were updated to identify DPAS using a generic RIC in the N1 Name segment and to use a second iteration of the N1 loop to identify the Air Force program manager within DPAS by DoDAAC (if the Air Force PM does not have a RIC).

The DLMS Changes for this process are listed below. Additional details and a high level transaction flow can be viewed in the PowerPoint brief linked from this meeting agenda.

- **ADC 1224:** Requirements for Air Force GFP-A to Identify the Air Force CICIP, Physical Property Location, PIID, Issue Transaction Disposal Information, and Data Enhancements.
- **ADC 1225:** Revise DLMS 527R Receipt Transaction for Intra-Air Force GFP Accountability to Include Identification of the CICIP, Addition of Moving Average Cost, and Authorization to Use Latest Acquisition Cost and Acceptance Date.
- **ADC 1226:** Revise DLMS 824R Reject Advice Transaction to Support Air Force GFP-A.
- **ADC 1227:** Update DLMS 832N Catalog Data Support Transaction to Support Air Force GFP-A. Added 22 new “indicative” data elements. [Approved subsequent to the PRC meeting.]
- **ADC 1228:** Revise DLMS 846P Physical Inventory Request and 846R Location Reconciliation Request to Enhance End of Day/Reconciliation Process. [Approved subsequent to the PRC meeting.]
- **PDC 1230:** Revise Balance Affecting Transactions to Authorize Batch Number, Serial Number, and Unique Item Identifier.
- **ADC 1232:** Revision of DLMS 846D and 846S Logistics Reassignment Transactions to Support Air Force GFP Accountability during Logistics Reassignment between Air Force CICIP and Air Force or DLA ICPs [Approved subsequent to the PRC meeting.]
- **ADC 1238:** Revise DLMS 527R Materiel Receipt Acknowledgment (MRA) and Disposition Services Turn-In Receipt Acknowledgment (TRA) to Allow Air Force CICIP to Forward Transaction Images in Support of Air Force GFP Accountability

f. Agenda Topic 6 – Component Status on Process Improvements to Support FIAR Compliance for GFP Accountability. Following the Air Force discussion on GFP-A, there was a general discussion on the other Services' status on GFP accountability. GFP must also be maintained on a Government APSR. There were no formal presentations for this agenda item and the following significant comments were made:

- Ms. Hilert noted that DLA has established plant codes in EBS to use for tracking GFP and a participant from DLA noted DLA created an onboarding guide for bringing contractors into a support role.
- Mr. David Childress (Navy Supply PRC representative) and Mr. Tim Adkins (NAVSUP HQ) use the Commercial Asset Visibility (CAV) software tool for visibility in the Navy Enterprise Resource Planning (NERP) system which serves as their APSR. He noted they are struggling with the ODUSD (DPAP) requirement for the GFP attachment. The effort is prohibitive for repair contracts because of the volume of GFP attachments. The Navy looked at sending GFP attachments from CAV straight to Electronic Document Access, however ODUSD (DPAP) did not want to accept this information directly from CAV as it is not an APSR. The Navy statement of work for contractor support requires 99 percent inventory accuracy and a 24 hour end of day transaction item reporting requirement. Mr. Childress did not have information on the other Navy Systems Commands.
- Ms. Hilert noted an open action item for ODASD (SCI) to identify specific inventory reconciliation requirements for organic and commercial repair activities. This issue was discussed during the Supply Visibility Inter-Service Maintenance Integrated Process Team and is still open. A DLMS change will be needed based upon the outcome. The issue concerns applicability of storage activity requirements for end-of-day reconciliation.
- Ms. Merita Briggs (Air Force Supply PRC Representation) noted that contractor ICPs are required by DODM 4140.01 to do semi-annual inventory versus one annually for organic storage activities.
- An Army representative noted they are sending their requirements through the Life Cycle Management Command (LCMC) at Army Materiel Command (AMC) to do the semi-annual validations, and spot inventories. This is a manual process. A Government employee does the inventory sampling as mandated in the contracts.

Action Item 4: EBSO coordinate with ODASD (SCI) to clarify open issues for inventory reconciliation. EBSO develop a PDC as appropriate based upon ODASD (SCI) direction.

Action Item 5: Marine Corps provide status on process improvements to support FIAR compliance for GFP accountability.

g. Agenda Topic 7 - IUID and Serial Number Tracking. Mr. Gonzalez and Ms. Johnson provided an update on the status of Proposed Addendum to ADC 1198A (Capital Equipment) and Draft PDC 1244 (Unique Item Tracking (UIT) Programs).

- ADC 1198 – Establishing and Maintaining Accountability for Service Owned Capital Equipment Stored at DLA Distribution Centers was issued on October 16, 2016. During

implementation planning for ADC 1198 (and Draft PDC 1244) several issues were identified and are being addressed in the Proposed Addendum to ADC 1198A and Jim Weiner (DLA DSS) provided a summary of the following issues:

- No serial number during receipt
- Materiel in inventory missing serial number
- DLA 867I Issue Transaction with serial number/UII
- Requirements for a full physical inventory due to a n UII/ serial number mismatch.

Ms. Reardon. (DASD (SCI)) signed out a memo to the Supply Chain Executive Steering Committee (SCESC) to have the Components review the Proposed Addendum to ADC 1198A. This document was also forwarded to the Supply PRC distribution list for situational awareness with comments to be submitted through the Component SCESC chain.

- Draft PDC 1244 – Service Owned Unique Item Tracking (UIT) Items Stored at DLA Distribution Centers. The initial tasking was to develop DLM 4000.25, DLMS, Volume 2, procedures to include serialization data in all DLMS balance-affecting transactions and selected additional transactions for the Controlled Cryptographic Items (CCI) and Radiation Testing and Tracking System (RATTS) UIT programs. Based on ODASD (SCI) direction, the scope of draft PDC 1244 was expanded to cover all UIT programs, with the exception of the Small Arms/Light Weapons (SA/LW) program. PDC 1244 procedures will mirror the IUID procedures in ADC 1198/1198A. PDC 1244 will add a dedicated chapter rather than incorporating additional procedures into each relevant DLMS chapter. The SA/LW program will be included in PDC 1244 as a placeholder for the concept, but SA/LW implementation will be delayed pending a follow-on PDC to transition from use of SA/LW unique DLMS 140A transactions to the use of standard logistics transactions, where ones already exist.

- For SA/LW, the intent is to map SALW reporting transactions to standard supply transactions, reducing the need to transmit a DLMS 140A. Main goal would be the integration of the SA/LW specific data elements for use with certain existing supply transactions, such as, the DLMS 856S, Shipment Status and 527R Receipt. However, the majority of the Component Supply ERP systems are not integrated with the corresponding Component registry systems which is a significant factor to makes this standardization process works. EBSO is currently analyzing how to accommodate SA/LW transaction functionality within supply standard transactions.

Additional comments related to draft PDC 1244 were:

- The FLIS IUID Indicator Y, in conjunction with the applicable UIT designator code, will be used to trigger tracking requirements.
- All UIT program materiel will also have a FLIS IUID Indicator Y (meaning IUID required).
- PDC 1244 will allow for delayed staggered implementation for the other 2 UIT programs active in DLA Distribution Standard System (DSS), Navy Depot Level Repairable and Positive Inventory Control Nuclear Weapon Related Materiel

- A question was raised on the size of the serial number field and that the ODASD (SCI) IUID Work Group is addressing this question. Ms. Hilert added a comment that based on discussion at the May 2017 IUID Work Group meeting, the EBSO would like to include the rules (or at least the interim rules) for serial number as part of PDC 1244. There remains an inconsistency with iRAPT which allows most special characters and allows 50 positions for the human readable serial number in the Marks section of the IUID Registry and perpetuates the 30 position UII pedigree serial number in outgoing shipment notification transactions. The DLMS cannot follow the same rules as the IUID registry because many special characters cannot be used in reference numbers communicated via for XML or EDI transaction.

h. Agenda Topic 8 – Materiel Receipt Acknowledgement (MRA) Report Issues / Demo.

This agenda item was skipped due to limited time. The MRA Reports Tool demonstration portion of this topic is attached to the agenda file. If there are questions or a more detailed demonstration is needed, contact the EBSO. A summary of the MRA Report Issues brief follows:

- Comment from U.S. TRANSCOM about logistics response time (LRT) performance where an issue was identified with some requisitions they report each month that are closed out by a MRA Response to Inquiry (DRB) with Discrepancy Indicator Code F transaction. The U.S. TRANSCOM team felt the Services should be aware that using Discrepancy Indicator Code F (Shortage or partial or total non-receipt) when materiel is still in transit caused inaccurate date reporting in Logistics Metrics Analysis Reporting System (LMARS).

- **Question:** Is there logic in LMARS and the MRA process to indicate if the MRA Response to Inquiry (DRB) has Discrepancy Indicator Code F that the receipt will indicate the item has not been received?

- **Answer:** There is no logic to “not accept” the DRA/DRB with Discrepancy Indicator Code B or F. When MRA procedures were initially developed, the inventory control point (ICP) representatives noted they close out their records with the DRA/DRB regardless of the discrepancy indicator code. MRA is recorded by LMARS when the first DRA or DRB transaction is received. Sometimes, the DRB that is processed as the acknowledgement, is sent with a discrepancy code to inform of non-receipt, not acknowledgement of receipt. Discrepancy Indicator Codes G and H were added to allow for longer time before reporting an MRA. LMARS was updated to process these new codes (H is pending), however the Component supply systems need to implement ADCs 474 and 1114 to use, or receive and process the new codes per the ADC requirements.

- If Discrepancy Indicator Codes G and H are received by LMARS, the expected delivery time will be extended by a set number of days. This extension of delivery timeframe can only happen for six time periods before MRA Reports indicate no MRA was received.

- Potential issues with discrepancy Codes G and H:

- If the 527R MRA transaction comes in with multiple TCNs and each one has a different discrepancy code, MRA and LMARS can only put 1 in the data

download since everything is by document number / suffix. WEBVLIPS can show the latest discrepancy code for each TCN
Status: EBSO and DAAS are working on the issue.

- DAAS history files for MRA indicate some transactions appear to have a G or H in record position 63 – Analysis shows this is incorrect data replicated from earlier transactions, for example a portion of a project code used in the initial requisition is still showing in an MRA.
Status: Use correct transaction format (legacy), and in DLMS this should not be an issue if the transaction is correctly mapped.

i. Agenda Topic 9. Routing Identifier Code (RIC) Availability/DAAS DoDAAC Routing Update. Mr. Flanagan addressed the proactive strategies to mitigate the risk of Components running out of RICs due to DOD GFP policy changes. To date, only the Air Force is reporting RIC availability issues; however, other Components are at risk of exhausting available RICs if they comply with emerging DOD Policy. The two key policy changes that drive an increased need for RICs are prohibiting reuse of contractor DoDAACs (and the associated RICs) across multiple contracts awarded to the same contractor and the extended document retention period which limits reuse. (Refer to Agenda Topic 9 attached brief).

ADC 1116 (*Contractor DoDAAC Assignment Unique to a Contract Number*) was canceled, however the EBSO has an open action to ODASD (SCI) and the community to develop the capability to implement the DODM 4140.01 policy of one unique DoDAAC to a contract. Working this policy issue highlighted the associated issue with the RICs. Ms. Mulligan asked whether we need to look at this requirement/policy again with ODUSD (DPAP) as this is an extension of what ODUSD (DPAP) is doing with the DOD GFP Working Group. If this is a significant issue, maybe the policy needs to be modified? Ms. Daverede noted that the EBSO team put a lot of thought into how to figure this out and the desire to look at some of the solutions being proposed in this topic as being less invasive, as an alternative to revising the policy.

The EBSO is considering options to transition from RIC-based transaction exchange to DoDAAC-based transaction exchange, along with DAAS performing an assessment to determine the impact of DoDAAC routing on their operations and current capability. Mr. Flanagan summarized the transition to DoDAACs means:

- Enforcing a one-to-one DoDAAC-to-RIC relationship,
- Changes to non-DLMS applications (e.g. FLIS interfaces),
- Elimination of RICs assigned without a corresponding DoDAAC, and
- Adoption of an alternative approach for identifying SAP plant codes.

Additional comments during the discussion:

- Ms. Hilert explained that the main reason for the single unique DoDAAC per contract rule is to gain visibility of GFP and ensure compliance with specific contract limitations. The alternative approach to accomplish this using DLMS requires including the authorizing contract

number in each GFP-related transaction. The unique DoDAAC per contract is much more efficient and, if implemented, would allow EBSO to withdraw the more costly DLMS changes associated with the alternative approach.

- Mr. Childress (Navy Supply PRC Representative) mentioned their February 2015 non-concurrence letter for ADC 1116, and the ADCs impact on the Navy. The Navy maintains procedures to recycle RICs to meet current needs, but ADC 1116 posed potential negative impacts to their reparable contracts and existing logistics systems designs.

- Ms. Ruth Kemper AMC G34, noted that the Army loads contractor DoDAACs and RICs into the AESIP platform, she only hears about shortages of DoDAACs/RICs when the Army activities are in a deployment status. Ms. Kemper noted the ability to add the contract closeout data when loading the data in AESIP. This gives periodic alerts as the period of performance approaches.

Action Item 6: Ms. Kemper to reach out to the existing Army team to see if they can address any of the challenges for achieving one DoDAAC per contract and the impact of the RIC/DODAAC increased retention period prior to reuse.

- Ms. Hilert commented that Ms. Leantha Sumpter (OUSD (DPAP)) is looking into shortening the retention period requirements due to the newly developed Wide Area Workflow (WAWF) Data Lake capability that will capture the information at the point in time and help preserve DODAAC/contract relationship.

- Mr. Tad DeLaney (EBSO, DoDAAD PRC) noted that GFP is not the only driver, it is also DOD Inspector General reports showing issues associated with reuse of DoDAACs not necessarily being tied to a specific contract.

To wrap up this topic, Mr. Flanagan noted five items as the recommended course of action for this topic:

1. EBSO and DAAS meet regularly to assess impact and develop technical requirements and document consensus into PDCs.
2. Coordinate focus group meetings with the Components to identify barriers to implementation, exchange ideas, and form consensus.
3. Obtain clarification from ODASD (SCI) and ODUSD (DPAP) whether Components are authorized to reuse contractor RICs during the contract documentation period, which is 10 years after final payment.
4. Develop DLMS changes that contain long-term solutions to proactively transition from RIC-based routing to DoDAAC-based routing.
5. Implement DLMS compliant solutions for remaining legacy systems to include contractors and foreign military sales customers.

j. Agenda Topic 10 – WebSDR-Generated “No Prepositioned Materiel Receipt (PMR) Report” and Component Corrective Action Status to Resolve Missing PMR. Mr. Ben Breen (EBSO) led the discussion and noted that the April 2017 “No PMR Report” was distributed prior

to the meeting providing data for Component review. This was the initial run for this new report made possible by the implementation of SDR notification of missing PMRs. ADC 1221 (July 2016) established the requirement for DLA Distribution Centers to send an SDR to the owner/manager when the distribution center processes a receipt without a PMR for materiel owned by that organization. Mr. Breen noted that the report contained approximately four thousand rejected SDRs on the DLA report. These SDRs were generated for a missing PMR, but failed during processing due to lack of a RIC-To. Corrective action within the Distribution Standard System is required (program logic fixed subsequent to the PRC meeting). The Navy identified a significant issue where DLA should be generating the PMR under BRAC. Bottom line is that the volume of missing PMRs is very high and the impact to receiving and inventory accountability can be significant. Components are directed to use the “No PMR Report” to assist in identifying compliance gaps and programming deficiencies for consistent generation of the PMR. Report preparation details were explained as follows.

- DLA Distribution Centers submit an SDR using Discrepancy Code Z3 (distribution center receipt not due-in) for receipts lacking a PMR. The SDR may be for information or action based on SDR business rules; other discrepancy codes are identified as applicable.
- WebSDR generates monthly reports by Component listing SDRs containing the Discrepancy Code Z3 using standard WebSDR report layout.
- Reports are distributed automatically via email to the Army, Navy, Air Force, Marine Corps, and DLA SDR PRC primary and alternate members, and any other representative per Service/Agency request.
- The DLA report includes a separate section for other miscellaneous owner/managers.

Agenda Topic 11 – DoD Procedures for Disposal Release Orders (DROs) for Quality Deficient Materiel (Supply Condition Code (SCC) Q). Mr. Breen provided an overview of this topic including prior foundation requirements for use of SCC Q with a Management Code O or S in the DRO to designate appropriate processing at DLA Disposition Services. The goal is to fully implement procedures under the old AMCL 10 and 34 and the newer ADC 1169.

- Joint Approved MILSTRAP Change Letter (AMCL) 10 and Approved MILSTRIP Change Letter (AMCL) 34, January 2004. This change documented requirements for use of SCC Q for transfer of quality deficient materiel for disposal/reutilization and clarified that automated disposal processing would not recognize associated management codes for initial implementation:
 - Management Code O – Materiel is not hazardous to public health/safety or national security. Materiel is prohibited for DoD use but may be sold by the DLA Disposition Services. The DLA Disposition Services must ensure that all sales include a restrictive resale provision to deter reentry of the materiel to the DoD supply system.

- Management Code S – Materiel is hazardous to public health/safety or national security. DLA Disposition Services Field Office must ensure mutilation is accomplished.

- ADC 1169 (April 2016) - DLA Distribution Center Denial Scenarios Associated with PQDR Exhibits. This change approved denial scenarios when MROs or DROs identifying a PQDR exhibit cannot be shipped by the DLA Distribution Center because the specified exhibit(s) cannot be located. Until DOD Components can implement a systemic solution to provide the PQDR RCN in the DLMS 940R MRO/DRO, the PQDR RCN will be added in the DLMS 940R in the exception data (narrative). This will require the DSS user to read the exception data. However, this will ensure the intended PQDR exhibit is picked for shipment. This will require DLA distribution centers to update internal procedures and possibly provide training.

- Component Implementation Status:

- DLA EBS has the functionality to support sending the Management Codes O and S with SCC Q, but the logic has not been turned on.
- DSS has the functionality to receive and perpetuate the Management Codes O and S with SCC Q.

Action Item 7: Request DLA Disposition Services confirm the following items are implemented as required in the referenced changes:

- If Management Code O, internal procedures recognize potential for resale and will not mutilate solely based on the SCC Q.
- If Management Code is Blank or S, procedures require mutilation.

Action Item 8: Request Components provide implementation status on:

- Functionality supporting Management Code O or S with SCC Q in the DRO.
- Functionality supporting inclusion of PQDR RCN in the DRO.

Next Meeting: The Enterprise Business Process Standards Office thanked all attendees for their participation, enthusiasm, and continued support. The next Supply PRC meeting will be announced at a future date.

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