



Logistics Information Technology Strategy

DLMS Summit

7 May 2024

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The overall classification of this document is:

UNCLASSIFIED



Agenda

- Logistics Information Technology (Log IT) Portfolio Scope and Magnitude
- Log IT Strategy
- Log IT Policy and Audit Compliance
- Log IT and DLMS
- Log IT Business Health Metrics
- Log IT Partnerships
- Log IT Compliance Metrics Data Elements
- Log IT Initiatives
- Log IT Strategy End State



DoD Log IT Portfolio Scope and Magnitude

Enterprise (FY24)

- ~430 Business Mission Area (BMA) Log IT Systems (largest IT Portfolio)
- Sustainment costs to maintain these systems \$2.2B
- 27% of the DoD Defense Business Systems (DBS) Portfolio and Cost
- Additional ~80 Warfighter Mission Area (WMA) systems

Financial auditability

- 39% of the enduring DoD audit systems
- Account for >\$800 Billion In DoD owned assets

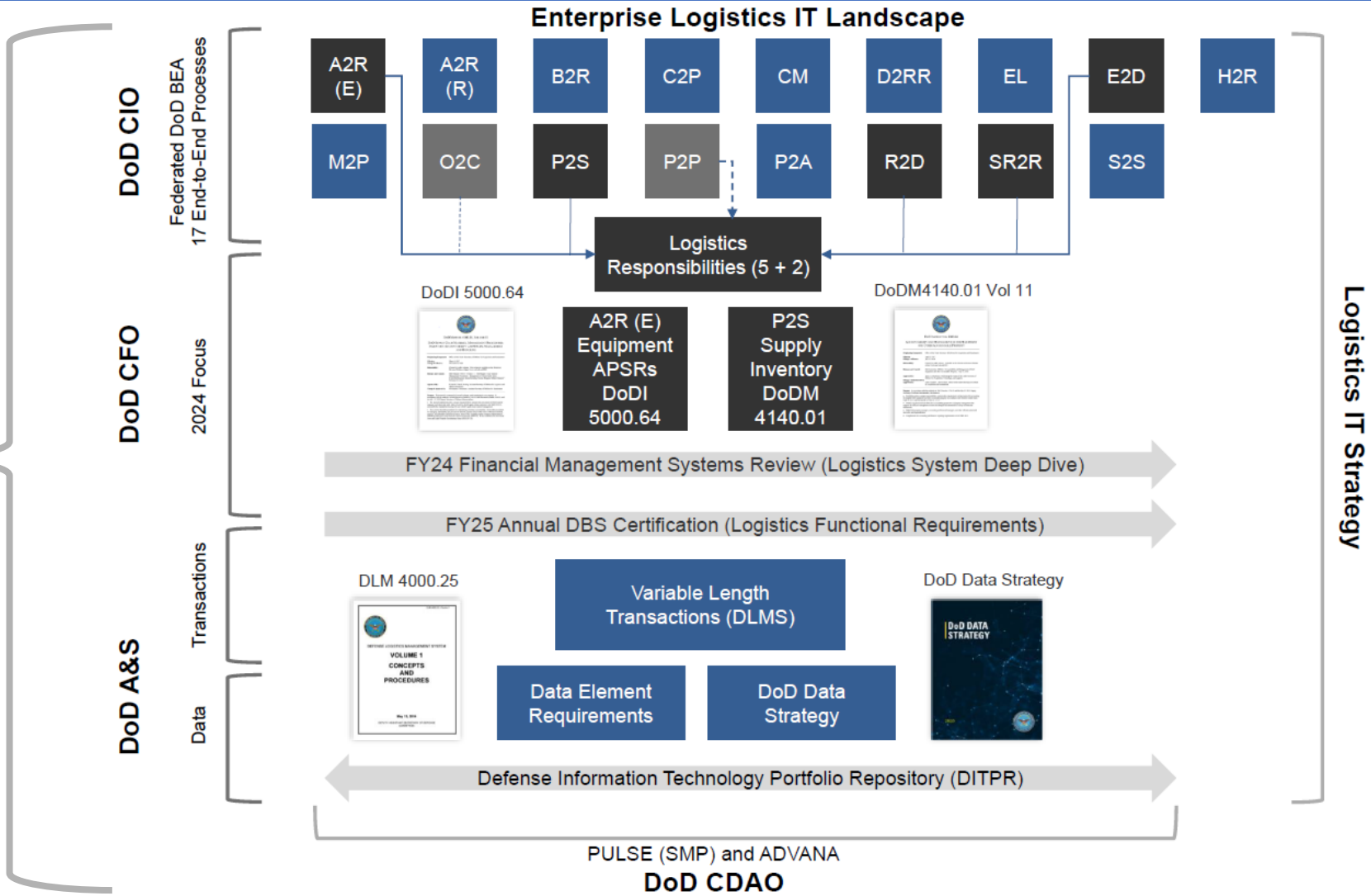




Enterprise Logistics IT Landscape FY24

Laws
Regulations
Policies (LRPs)

10 U.S. Code §
2222





Logistics IT Strategy Overview

Mission

Drive warfighting readiness and lethality through efficient and effective operation and improvement of the Joint Logistics Enterprise through Log IT and data-informed decisions.

Vision

A logistics information environment that is secure, interoperable, uses accurate and trusted data at speed and scale for operational advantage, enhanced responsiveness, business productivity across DoD, the Joint Logistics Enterprise, and the Total Force across the range of operational environments.

Goals

- Goal 1: Optimize the Log IT Systems Environment
- Goal 2: Promote Data Visibility and Quality
- Goal 3: Right-sizing the Log IT Portfolio
- Goal 4: Modernize and Secure Log IT Systems
- Goal 5: Program Objective Memorandum (POM) Funding for Investment Decisions



Find the complete Log IT Strategy online at
www.acq.osd.mil/log/LOG_SD/policy_vault.html





IT Scorecard – Integrated Log Dashboard

Logistics IT Portfolio Business Health Scorecard

Goal 1: Optimize the Logistics IT Systems Environment
Metric 1.2: Number of core Log IT systems compliant with DoDI 5000.64
Metric 1.4: Number of core Log IT systems compliant with DoDM 4140.01 V11
Metric 1.5: Number of core Log IT systems capable of variable length transactions
Metric 1.7: Number of Log IT system compliance with DLMS in accordance with DoDM 4140.01 v8
Metric 1.8: Number of core Log IT systems compliant with DTEB EDIs
Goal 2: Promote Data Visibility and Quality
Metric 2.1.1.:Data quality in authoritative sources (DITPR)
Metric 2.1.2.: Data quality in authoritative sources (SNAP-IT)
Metric 2.1.3.: Data quality in authoritative sources (DITIP)
Metric 2.4.: Number of Log IT compliant with Logistics Functional Requirements
Goal 3: Right-sizing the Log IT Portfolio
Metric 3.3.: OSD CIO Quad Tool "Innovative"
Goal 4: Modernize and Secure Log IT Systems
Metric 4.1.: Number of ICAM compliant Log IT systems (DoD CIO led metric)
Metric 4.2.: Number of Log IT systems migrated to and operating in the cloud (DoD CIO led metric)
Goal 5: POM Funding for Investment Decisions
Metric 5.1.: Number of systems capabilities appropriately POM-ed in FY
Metric 5.2.: Number of systems capabilities appropriately POM-ed by Value

Log IT Strategy Metric Priorities

Compliance

Right-Sizing

Quality

Secure Data

***Proactive Funding and Investment
Decisions***



Better portfolio health helps the Department modernize how systems harness data to strengthen our supply chain for the future, improve interoperability and audibility, increase resilience across the enterprise and bring greater capability to the warfighter wherever they are and at the time of need.



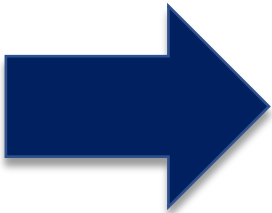
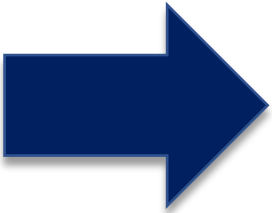
Focused Policy Requirements

Strategic Management Plan

PERFORMANCE MEASURES
PM 4.7.4.1 - % of Log IT systems that perform end-to-end Logistics processes that comply with transaction standards per DoDD 8190.01E and DLM 4000.25
PM 4.7.4.2 - % of Log IT systems perform equipment accountability and visibility that comply with DoDI 5000.64
PM 4.7.4.3 - % of Log IT systems that perform materiel inventory management functions that comply with requirements in DoDM 4140.01 V11

Defense Business System Certification

#	Functional Area	*Requirement	*Requirement Authority
1	Logistics	All DBS that perform logistics processes that transact through Defense Automatic Addressing system (DAAS) must perform Defense Logistics Management Standards variable length transactions in accordance with DoDD 8190.01E, DoDM 4140.01 V8, and DLM 4000.25.	DoDD 8190.01E Defense Logistics Management Standards DoDM 4140.01 V8 DoD Supply Chain Materiel Management Procedures: Materiel Data Management and Exchange DLM 4000.25 Defense Logistics Management Standards (DLMS)
2	Logistics	Accountable property systems or record (APSRs) that perform asset accountability operational activities must comply with data element requirements in DoDI 5000.64.	DoDI 5000.64 Accountability and Management of DoD Equipment and Other Accountable Property
3	Logistics	DBS that perform inventory, materiel management, and supply functions must comply with data element requirements in DoDM 4140.01 V11.	DoDM 4140.01 V11 DoD Supply Chain Materiel Management Procedures: Inventory Accountability and Special Management and Handling





Log Policy Partnerships (CIO, CFO, CDAO, A&S)



DoD Strategic Management Plan (SMP)

- The SMP outlines **three** performance measures that support effective Log IT - to include DLMS.



Performance Goal 4.7.4 - Provide effective Logistics Information Technology.
Performance Goal Lead: OUSD(A&S)

The Department requires an integrated, enterprise system-of-systems strategy for Logistics IT (Log IT) modernization, to align priorities for investment and system requirements, improve effectiveness, and mitigate audit material weaknesses. Leveraging the full range of commercial capabilities as well as internally developed government best practice solutions, improving Log IT will enhance the Department's interoperability, enable decision-makers to harness data to capitalize on strategic and tactical opportunities, and enable effective operations in a contested environment. Development of a Department Log IT strategy in conjunction with the Components and establish performance targets for Log IT systems in partnership with DoD CIO, CDAO, and CFO to comply with policy and auditability requirements.

PERFORMANCE MEASURES	FY 2024 Target	FY 2025 Target	FY 2026 Target
PM 4.7.4.1 - % of Log IT systems that perform end-to-end Logistics processes that comply with transaction standards per DoD 8190.01E and DoD 4000.25	80.0%	90.0%	
PM 4.7.4.2 - % of Log IT systems that perform equipment accountability and mobility that comply with DoD 5000.64	10.0%	20.0%	
PM 4.7.4.3 - % of Log IT systems that perform material inventory management functions that comply with requirements in DoDM 4140.01 V11	10.0%	20.0%	

DoD CIO's DBS Annual Certification



- Contains **three** Logistics functional requirements that are aligned to the SMP.



DBS Logistics Functional Requirements (OUSD(A&S)): The following requirements apply to all priority and Fourth Estate covered DBS that align to the Acquire-to-Retire (A2R) and Plan-to-Stock (P2S) End to End (E2E) processes.

- All DBS that perform A2R and P2S E2E logistics processes must comply with Defense Logistics Management Standards in accordance with DoD Directive 8190.01E and Defense Logistics Manual 4000.25.
- Accountable property systems of record (APSRs) that perform asset accountability operational activities within the A2R E2Es must comply with requirements in DoD Instruction 5000.64.
- DBS that perform inventory management and supply functions within the P2S E2Es must comply with requirements in DoD Manual 4140.01 V11.

Policy Reqs.
DoDD 8190.01E
DoDI 5000.64
DoDM 4140.01



Program Objective Memorandum Guidance

- The Assistant Secretary of Defense for Sustainment requires Military Services to identify in their POM26 funding for Log IT functional requirements and modernization.



- Identify (by system) funding in the POM for compliance with the three Logistics IT functional requirements: Defense Logistics Management Standards (DLMS), DoDI 5000.64 and DoDM 4140.01 V11 required data elements. Highlight gaps in requirements needed for Logistics IT functional requirements compliance and demonstrate compliance with your modernization/ rationalization plans.

Financial Management (FM) Systems Review



- OUSD(C) completes a review of FM systems subject to internal controls over financial reporting to assess compliance levels, improve accountability, and inform decision-making.



PP&E System Management Function

These systems calculate and track DoD property plant and equipment (PP&E) balances in accordance with OMB, Treasury and DoD regulations. These systems account for the production, possession and disposition of real property and major acquisition end items. Additionally, these systems calculate any depreciation or construction-in-process that is associated with the end items. The depreciation and construction-in-process method configured by the system should be consistent across accounting periods, similar end items and consistent with DoD and organizational policy.

Inventory Management Feeders System Management Function

These systems calculate and track DoD inventory balances in accordance with OMB, Treasury and DoD regulations. These systems account for the production of goods from the receipt on raw materials to the distribution, sale or disposition of finished goods. Additionally, these systems calculate the balances of raw materials, work-in-process, and finished goods. There are several different methods for calculating inventory balances. The method configured by the system should be consistent across accounting periods, similar end items and consistent with DoD and organizational policy.

10 U.S.C. Section 2222 – BEA and auditability requirements – underpin the above



Why is DLMS Required?

Why the requirement for Defense Logistics Management Standards (DLMS)?

- We need to deliver new capabilities to the Warfighter based on emerging requirements.
 - Data needs to be communicated in **standards** that are common across the DoD's supply chain business systems to ensure **interoperability**.
 - MILS' transactions are incapable of handling new and emerging requirements.
- DLMS applies to all systems that perform transactions through DAAS, regardless of the level of certification a system is subject to (i.e. "Priority" and "Covered" Defense Business Systems).
- DoDD 8190.01E "Defense Logistics Management Standards" directs implementation.

DLMS Supports Interoperability:

- DLMS EDI provides a means for exchanging information between **dissimilar** computer systems via a standard file structure.
- No longer do systems have to build **point-to-point** interfaces to multiple trading partners; they just need to interface with **DAAS**.

The business case for DLMS:

- DLSS/MILS procedures were facilitated by, and culminated in, **80-record position** transactions which were limited to a small subset of Supply procedures.
- With DLMS, procedures are no longer limited by transactions; rather, DLMS transactions can facilitate far more procedures than were possible with MILS.
- Improved **accountability, visibility, and auditability**.
- **Everything that can be done in MILS can be done in DLMS. Not everything that can be done in DLMS can be done in MILS.**



***DLMS enables enhanced
systems interoperability***



DLMS Capabilities

DLMS enables new capabilities for the Warfighter

DLMS Pros

- 63 enhancements enabled by DLMS
- 16 new transactions made possible by DLMS
- Based on commercial standards (ANSI ASC X12)
- Unlimited record positions
- Improved system interoperability
- Better auditability and accuracy

DLMS Cons

- Limited DLMS SMEs in DoD
- Requires more data stewardship

Instead of this (DLSS "MILS" A01 Requisition Transaction):

DOC. ROUTING M STOCK NUMBER QUANTITY DOCUMENT NUMBER SUPPLEMENTARY ADDRESS DISTRIBUTION PROJECT PRIOR REQ. DEL. ADV.
IDENT. IDENT. S FSC NIIN ADD 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80

A01AJ2E1650011250907EA00002WX3JJY12230014 SW3144MGK 122441WW22ABD IV 223

You can now transmit this (DLMS 511 Requisition Transaction):

ST*511*0006~BR*00*A0*20210810***J***215916~N1*77**M4*W22**FR~LX*1~N9*TN*WX3JJY12230014~PO1**
2*EA*O*NC*FS*1650011250907*JP*1~G62*BD*20210901~G62*46*20210811~LM*DF~LQ*O*A01~LQ*A9*SW3144
~LQ*AL*244~LQ*DE*M~LQ*DF*E~LQ*79*12~LQ*80*1W~LQ*83*B~LQ*99*A~LQ*D*J*IV~LQ*84*D~N1*Z1**10*S
W3144~N1*ST**10*SW3144~N1*Z4*M4*AJ2**TO~N1*OB**10*WX3JJY~FA1*DZ*D340~FA2*B5*GK~SE*27*0006~

And much more!

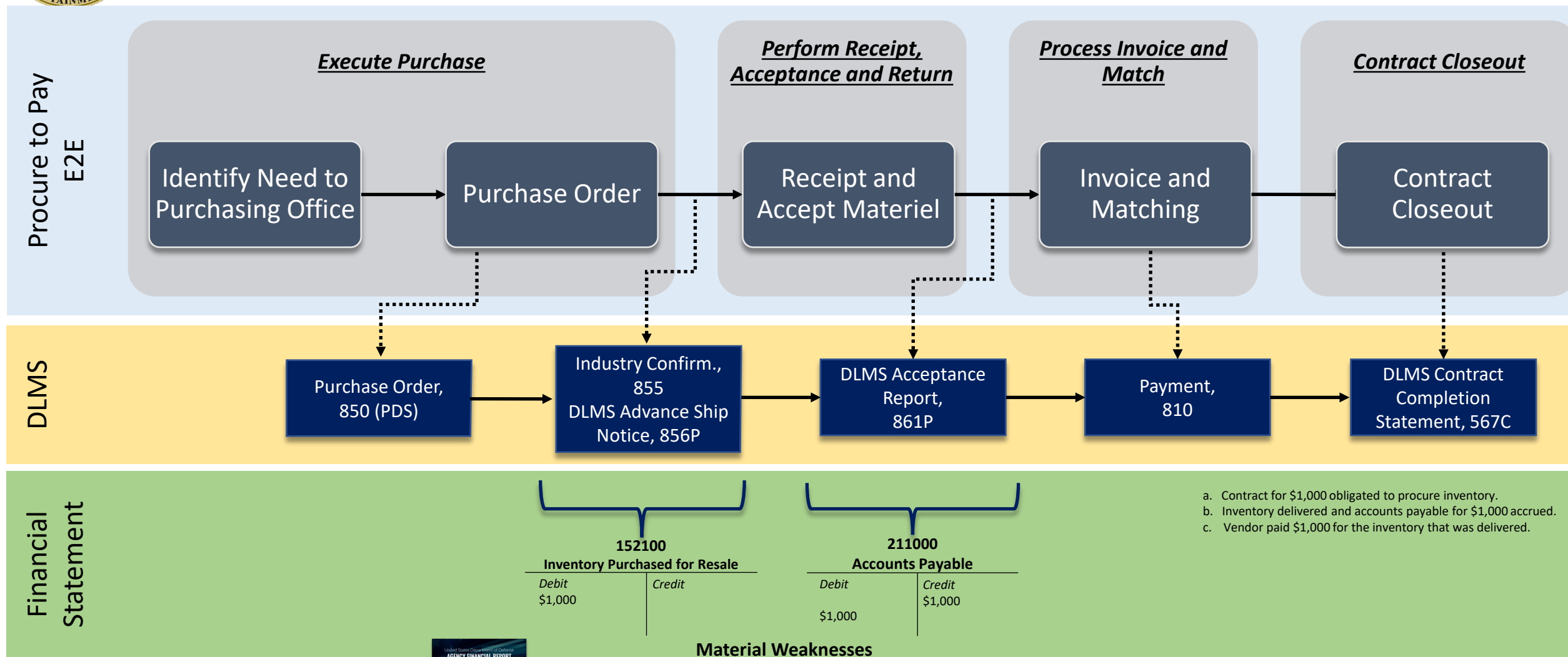
(Data in red is common in the two formats)

Enhancement	Enabled by MILS	Enable by DLMS	Benefit
<u>Munitions and Ammunition</u>	✗	✓	• Allows for transfer of larger quantities within a single transaction • Better visibility and delivery predictability • More auditable records
<u>Audit - Standard Line of Accounting (SLOA)</u>	✗	✓	• Policy compliance • Accelerates auditability • Obligations are correctly recorded
<u>Audit - Unmatched Transactions (UMT)</u>	✗	✓	• Allows for solutions to address UMT issues • Purchase Orders/Price variance • Foreign currency exchange rates • More auditable records and evidential matter
<u>Controlled Inventory Items - Small Arms/Light Weapons (SA/LW)</u>	✗	✓	• Traceability and accountability of weapons • Supports security of weapon shipments • Fully enables serialization
<u>Condition-Based Maintenance Plus (CBM+)</u>	✗	✓	• Engineering analysis of CBM+ parts • Predictive Maintenance • Identify Bad Actors • Decrease costs • Improved demand forecasting • Better inventory posture and stock levels

As long as the DoD enterprise network includes systems that are only able to execute MILS data/transactions there will continue to be disconnects that negatively impact the achievement of **accountability, visibility, and auditability**.



Procure to Pay (P2P) – DLMS and APSRs



SUMMARY OF FINANCIAL STATEMENT AUDIT

Exhibit 1 lists the 28 material weaknesses in the Department's financial statement reporting as identified by the DoD OIG in the Independent Auditor's Report. The material weaknesses reported by the DoD OIG align with those identified by DoD management, which are primarily identified using the assessable unit categories as defined by DoD Risk Management and Internal Control Program.

DLMS will help address these Material Weaknesses



Log IT Audit Compliance Data Elements

DoDI 5000.64 – 36 Data Elements	DoDM 4140.01 V11 – 35 Data Elements
Section 4.6 - a.1. Name - a.2. Part Number - a.3. Description (noun, nomenclature) - a.4. Model Number - a.5. Serial Number - a.6. National Stock Number - b.1. Owner (Accountable Organization). - b.2. Owner (Custodial Organization). c. Status (e.g., active or inactive (retired), staged, stored, in-transit, transferred, declared excess, awaiting disposition, dispositioned). - d.1. Quantity (e.g., received, fabricated, issued, and on-hand) - d.2. Unit of Measure. - e.1. General ledger classification (e.g., general equipment, loaned or leased) or - e.2. General ledger classification a means to apply business rules for making such a determination. - f.1. Value at full cost and depreciation information, if applicable; or - f.2. Original acquisition cost if the property does not require capitalization. g. Estimated useful life (years or activity based for capitalized property). - h.1. Unique item identifier (UII) or - h.2. DoD recognized IUID equivalent as defined in DoDI 8320.04. i. Date placed in service. - j.1. Location: DoD Activity Address Code - j.2. Location: Unit Identification Code - j.3. Location: Commercial Entity Code - j.4. Location: Government Entity Code k. Current condition. Information on supply condition codes is contained in DLM 4000.25-2. - l.1. Posting Reference: e.g., Receiving Report Number - l.2. Posting Reference: e.g., Contract - l.3. Posting Reference: e.g., Purchase Order - l.4. Posting Reference: e.g., Invoice Number - l.5. Posting Reference: e.g., Other Procurement Identification Number m. Transaction Type (e.g., received, accepted, inventoried, transferred, shipped, retired, disposed) n. Transaction Date o. Care of supplies in storage as needed. - p.1. GFP Elements: Authorizing Contract - p.2. GFP Elements: Recipient Point of Contact - p.3. GFP Elements: Period of Performance Expiration Date - p.4. GFP Elements: Expected Property Return Date (when different from period of performance)	3.2. ACCOUNTABLE RECORD FOR INVENTORY. The accountable record for inventory consists of the total item property record. a. At a minimum, the total item property record consists of: (1) Materiel manager name or designation. (2) NSN. (3) Unit of issue code. (4) Item description or name. (5) Unit cost. The materiel manager will assign a value in accordance with Chapter 4 of Volume 4 of DoD 7000.14-R. (6) UII and serial number for controlled items only per Section 4 of this volume. (7) CIIC (if applicable). (8) In-storage balances (i.e., quantities) of government-owned and government-managed inventory held at organic or commercial storage location by the storage activity's DoD activity address code (DoDAAC) and by supply condition code. (9) In-repair balances by organic maintenance facility and supply condition code. (10) In-repair balances by commercial maintenance facility and by contract. (11) In-transit balances by in-transit category, as delineated in Table 1. (12) Due-in balance for orders to designated DoD SOS. (13) Due-in balances from procurement by contract number or procurement request. (14) Due-in balances from return by customer and by supply condition code (indicating serviceable and unserviceable balances). (15) For government furnished materiel and government-owned, contractor-managed inventory, the balances of in-storage inventory in the contractor's custodial system. (a) Balances will include the government contract number and the unique DoDAAC assigned for each government contract. (b) The materiel custodian is responsible for maintaining the balances of in-storage inventory in the custodian's system of record, regardless of which DoD Component owns the materiel. (16) On-loan balances by receiving activity, in the form of DoDAAC, commercial and government entity (CAGE) code, or other identifier. (17) Dates of last inventory by organic or commercial storage location for in-storage assets. (18) Potential losses awaiting resolution by storage location, maintenance facility, or in-transit document. (19) Actual losses by storage location, maintenance facility, or in-transit document. (20) Returns to vendors awaiting resolution by vendor CAGE code. b. The materiel manager will create a single item inventory record to retain materiel balance information. Property accountability for segments of the total item property record may be assigned to, but not shared by, one or more organizational entities. c. To ensure the accuracy of their total item property records, owning materiel managers will: (1) Initiate and direct the conduct of physical inventories, in accordance with the procedures in Paragraph 5.8. of this volume, when dealing with CIIs and in Enclosure 3 of Volume 5 of this manual for all other materiel. (2) Initiate and participate in discrepancy research and reports associated with inventory balances in the total item property record. (3) Resolve discrepancies in inventory balances resulting from loss, damage, or destruction of materiel and investigate and assess liability for those discrepancies. (4) Refer suspected instances of inventory loss as a result of theft or fraud to the appropriate DoD Component criminal investigation organization or the DoD Inspector General hotline for investigation. (5) Take necessary applicable actions to ensure that the physical on-hand quantity and the total item property record quantity are in agreement for all DoD materiel that is not in the physical custody of DoD storage activities...

In the DoD CIO's FY24 Annual DBS Certification, only **3 of 5 Equipment APSRs** assessed complied with DoDI 5000.64 and only **3 of 8 Supply/Inventory systems** complied with DoDM 4140.01 V11. DoDI 5000.76 compliance was not assessed but is planned for in future iterations.



Trying to Secure funding (PBR26) to resource and support these initiatives

Log IT Strategy Initiatives

Annual LESC Modernization and Rationalizing Plans

System Capabilities and Interoperability – automating the PDC/ADC process

Standard Supply Data Dictionary alignment with Joint Staff LOG C2 COP – VAULTIS

DLMS Compliance Report and DLMS training

Cybersecurity - Zero Trust Data Tagging Use Case & DCO IAPR

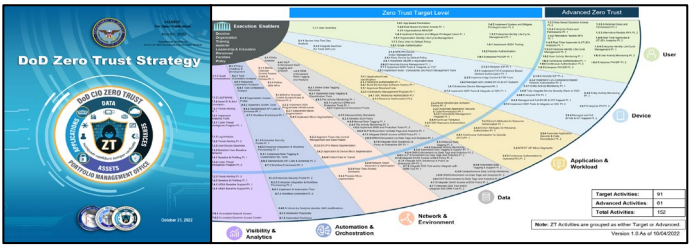
- DEDSO is modernizing its support processes to:
 - Improve coordination, visibility, & accountability
 - Improve resource alignment & support
- Defense Logistics Management Standards Request Tile
 - DLA ServiceNow Portal
 - One-stop-shop for DEDSO support
 - PDCs, training, information, etc....
- DocuSign
 - Simplified PDC/ADC processes
 - Improved tracking & coordination
- Roll outs in early 2024 with training!
 - Communications have started in the PRCs

DLMLS Compliance	Column Labels		
Row Labels	DLMS	DLSS	Grand Total
AIR FORCE	2,516,417	3,329,533	5,845,950
ARMY	12,534,680	694,473	13,229,153
COAST GUARD	30,511	27,700	58,211
DFAS	855,523	1,304,121	2,159,644
DLA	31,864,494	1,684,348	33,548,842
GSA	2,634,926	500,371	3,135,297
MARINES	373,285	204,888	578,173
NAVY	8,504,904	1,908,030	10,412,934
OTHER	598,047	648,884	1,246,931
VA		123	123
Grand Total	59,912,787	10,302,471	70,215,258

August 2023 LESC	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Total Portfolio Systems	433	384	340	301	241	203	166

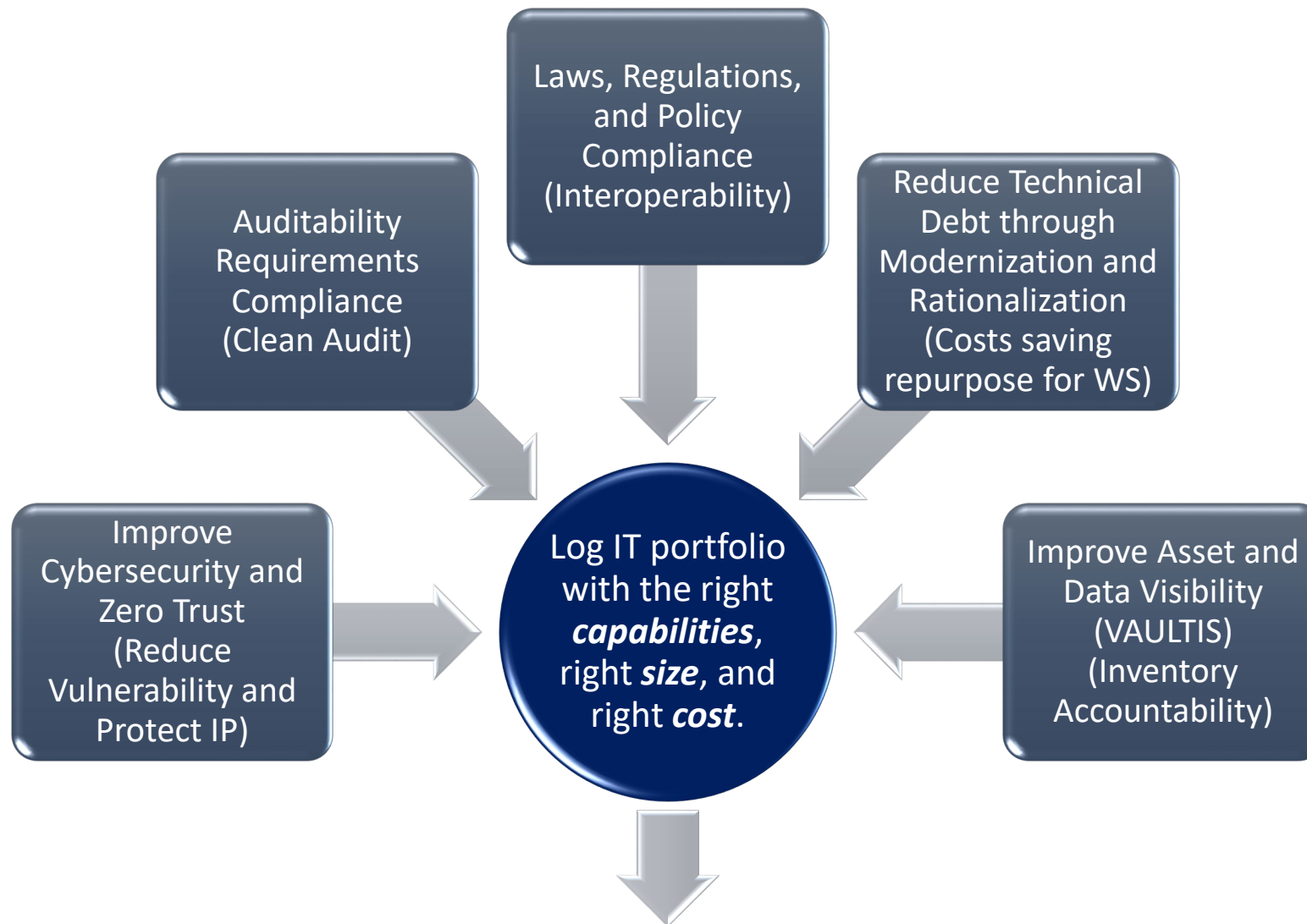
7 Goals (aka, **VAULTIS**) we must achieve to become a data-centric DoD:

- 1.) Make Data **Visible** – Consumers can locate the needed data.
- 2.) Make Data **Accessible** – Consumers can retrieve the data.
- 3.) Make Data **Understandable** – Consumers can recognize the content, context, and applicability.
- 4.) Make Data **Linked** – Consumers can exploit data elements through innate relationships.
- 5.) Make Data **Trustworthy** – Consumers can be confident in all aspects of data for decision-making.
- 6.) Make Data **Interoperable** – Consumers have a common representation/ comprehension of data.
- 7.) Make Data **Secure** – Consumers know that data is protected from unauthorized use/manipulation.





Log IT Strategy End State



Greater capabilities to the Warfighter!!



Discussion



Questions?

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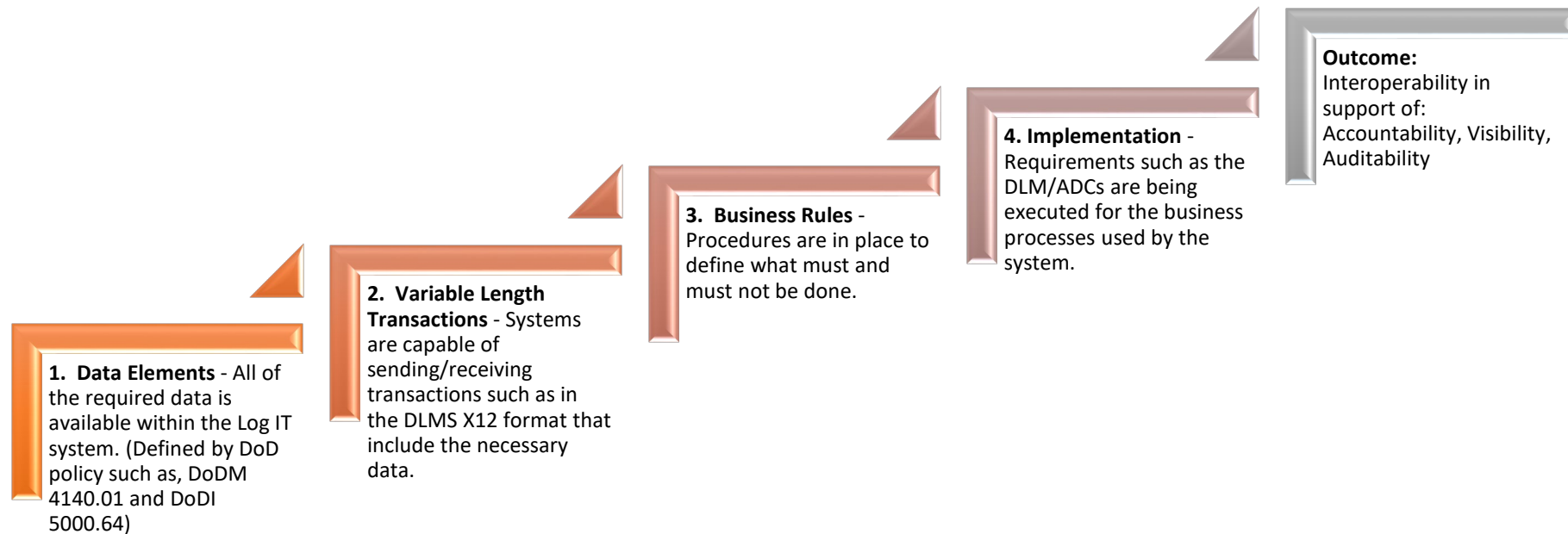
Back Up Slides



Data Interoperability Maturity Model

Data Interoperability Maturity Model

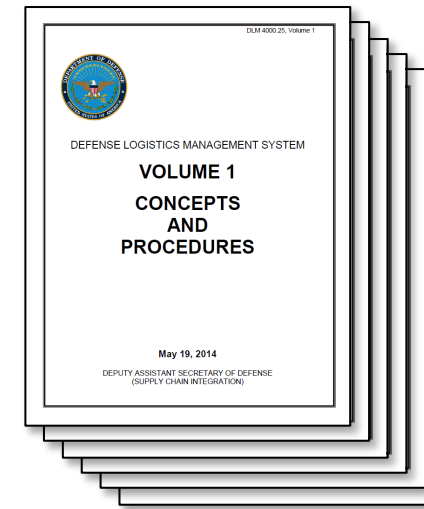
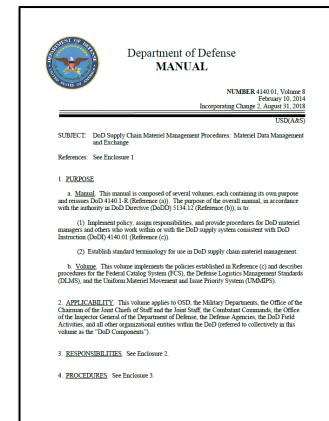
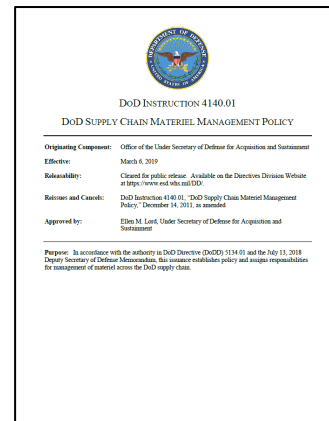
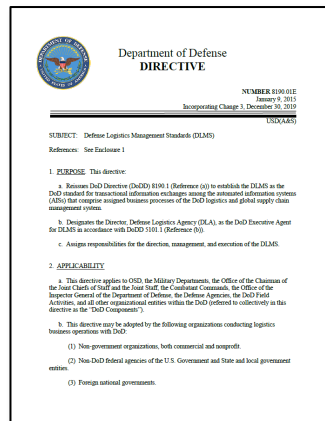
Data elements are the building blocks to achieve interoperability, accountability, asset visibility, and auditability. Availability of requisite data, joined with variable length transactions (include DLMS, ANSI X12, XML, and any additional technology adopted by DoD), business rules, and change management supports that outcome. Following this maturity model enables compliance and interoperability among DoD Components.





DLMS Policy

- What are the policy requirements that drive the mandate to implement the DLMS to replace MILS?
 - DoDD 8190.01E: Defense Logistics Management Standards
 - DoDI 4140.01: DoD Supply Chain Materiel Management Policy
 - DoDM 4140.01 (Vol 8): DoD Supply Chain Materiel Management Procedures – Materiel Data Management and Exchange
 - DLM 4000.25: Defense Logistics Management System





DLMS Policy

DoDD 8190.01E

3. POLICY. It is DoD policy that:

- a. DLMS is the DoD standard for electronic data interchange (EDI) (transactional information exchanges) among the AISs that comprise assigned business processes of the global supply chain management system.
- b. The American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 (referred to in this directive as ASC X12) is the baseline standard that supports the DLMS transactional information exchanges.

DLM 4000.25

C1.3. POLICY

C1.3.1. DLMS procedures, as prescribed herein, must be implemented uniformly **at all levels in and between** DoD Components and other participating external organizations. DoD Components must give priority to development and implementation of DLMS requirements before the development and implementation of intra-DoD Component requirements.

C1.3.2. DoD Instruction (DoDI) 4140.01, authorizes the publication of this DLM and stipulates that it carry the full weight and authority of a DoD manual. DoDM 4140.01 Volume 8, establishes a configuration control process for the DLMS and prescribes use of the DLMS to implement approved **DoD materiel management policy and the interfaces among the functional areas of supply, transportation, contract administration, pipeline measurement, physical inventory control, and finance.**

C1.3.3. DoD Directive (DoDD) 8190.01E, "Defense Logistics Management Standards (DLMS)," January 9, 2015, assigns responsibilities to the Defense Enterprise Data Standards Office (DEDSO) for direction, management, coordination, and control of the process to replace DoD unique logistics data exchange standards with approved EDI standards and supporting implementation conventions (IC) for DoD logistics business transactional data exchange. Pending full implementation of enterprise-wide modernized data exchange standards, this manual may reflect legacy processes, formats, data, and mediation.



Active DLMS Transactions

846D	4010	Logistics Reassignment Transfer and Decapitalization
846F	4010	Single Manager for Conventional Ammunition (SMCA) Freeze/Unfreeze Action
846I	4010	Asset Status Inquiry/ Report
846P	4010	Physical Inventory Request
846R	4010	Location Reconciliation Request
846S	4010	Logistics Reassignment Storage Transfer/Order/Reply
856	4010	Advance Shipment Notice (ASN) (Wide Area Workflow - WAWF)
856N	4010	Notice of Availability
856N	4030	Notice of Availability
856P	4010	Advance Shipment Notice (ASN) (Replaced 856)
856R	4010	Shipment Status Materiel Returns
856R	4030	Shipment Status Materiel Returns
856S	4030	Shipment Status
857	4010	Shipment and Billing Notice (Wide Area Workflow - WAWF)
861	4010	Acceptance Report (Wide Area Workflow - WAWF)
861P	4010	Acceptance Report (Replaced 861)
867D	4010	Demand Reporting
867I	4010	Issue
869A	4010	Requisition Inquiry/Supply Assistance Request
869C	4010	Requisition Cancellation
869F	4010	Requisition Follow-Up
870L	4010	Special Program Requirements (SPR) Status or Notification
870M	4010	Materiel Returns Supply Status
870N	4010	Notice of Availability Reply
870S	4010	Supply Status
888I	4010	Storage Item Correction
888W	4030	Weapon Systems Data Change
940R	4030	Materiel Release
940S	4030	Materiel Staging Request
943A	4030	Warehouse Service Advice
945A	4010	Materiel Release Advice
945A	4030	Materiel Release Advice
947I	4010	Inventory Adjustment
947I	4030	Inventory Adjustment
997	4010	Functional Acknowledgement (DAAS only)



Active DLMS Transactions

180M	4010	Materiel Returns Reporting
511M	4010	Requisition Modification
511R	4010	Requisition
517G	4010	Management Control Activity Validation
517M	4010	Materiel Obligation Validation (MOV)
527D	4010	Due-in/Advance Receipt /Due-in Verification
527R	4010	Receipt, Inquiry, Response and MRA
536L	4010	Logistics Reassignment Management Data
536R	4030	Acquisition and Valuation
567C	4010	Contract Completion Status (Contract Completion Statement/Unclosed Contract Status/Contract Close-out Extension)
650A	4030	Assembly Component Maintenance Structure
650C	4030	Component Packing Confirmation
810L	4010	Logistics Bill
812L	4010	Logistics Bill Adjustment Request Reply
812R	4010	Logistics Bill Adjustment Request
824R	4010	Reject Advice
824W	4030	Disposal Turn-In Document (DTID) and HazMat/Hazardous Waste Profile Sheet (HWPS) Validation and Procedures
830D	4030	Demand Data Exchange (DDE) Projected Supply Plan
830R	4010	Special Program Requirements
830W	4010	War Materiel Requirements
832N	4030	Catalog Data Support
841W	4030	Hazardous Material/Hazardous Waste (HM/HW) Profile
842A/R	4030	Standard Supply Discrepancy Report (SDR) Reply
842A/W	4030	Standard Supply Discrepancy Report (SDR), Follow-up, Correction, Cancellation, & Reconsideration Request
842C/I	4030	Stock Screening Request
842C/R	4030	Stock Screening Reply
842P	4030	Product Quality Deficiency Report (PQDR) Data Exchange
842S/Q	4030	Storage Quality Control Report
842S/R	4030	Storage Quality Control Report (SQCR) Reply
846A	4010	Asset Reclassification
846C	4030	Disposition Category Update



MILS to DLMS Example

MILS vs. DLMS EDI

MILS Format (DLSS)

RP	Field Length	Sample Data
01-03	Document Identifier	A01
04-06	Routing Identifier	SMS
07	Media and Status	B
08-22	Stock Number	5910001234567
23-24	Unit of Issue	EA
25-29	Quantity	1
30-43	Document No	FB230093070001
44	Demand	R
45-50	Supplementary Address	
51	Signal	A
52-53	Fund	KZ
54-56	Distribution	
57-59	Project	9GF
60-61	Priority	08
62-64	Reqd. Delivery Date	777
65-66	Advice	2A
67-69	Blank (Date of Rcpt on Referral/Passing Order)	
70-80	Blank (Intra-Service use)	

DLMS EDI Format

```
ST*511*00000001^
BR*00*A0*20000729*****131708^
N1*OB**10*FB2300**FR^
LX*1^
N9*TN*FB230093070001^
PO1**1*EA***FS*5910001234567^
DD*R*74^
LM*DF^
LQ*0*A01^
LQ*78*9GF^
LQ*79*08^
LQ*80*2A^
LQ*DE*A^
LQ*DF*B^
LQ*AL*777^
N1*Z4**M4*SMS**TO^
FA1*DY*D340^
FA2*B5*KZ^
SE*19*00000001^
```

MILS A01 Requisition

DIC	RIC	M & S	FSC	NSN	NIIN	UI	QTY	DoDAAC	DATE	SERNO	D E M	SUPADD	G I	FUND	DIST	PROJ	PRI	RDD	ADV	
123	456	7	8901	23456789012	34	56789	012345	6789	0123	4	567890	1	23	456	789	01	234	56	789	01234567890
A01	AJ2	E	1650	011250907	EA	00002	WX3JJY	1223	0014	SW3144A	MG	W12	123	13	224	4A				

DLMS 511R Requisition

```
ST*511*0006~BR*00*A0*20210810***J***215916~N1*77**M4*W22**FR~LX*1~N9*TN*WX3JJY12230014~PO1**2*EA
*0*NC*FS*1650011250907*JP*1~G62*BD*20210901~G62*46*20210811~LM*DF~LQ*0*A01~LQ*A9*SW3144~LQ*AL*
244~LQ*DE*M~LQ*DF*E~LQ*79*12~LQ*80*1W~LQ*83*B~LQ*99*A~LQ*D*J*IV~LQ*84*D~N1*Z1**10*SW3144~N1*S
T**10*SW3144~N1*Z4*M4*AJ2**TO~N1*OB**10*WX3JJY~FA1*DZ*D340~FA2*B5*GK~SE*27*0006~
```



Log IT Scorecard & Metrics

“Compliance”

Goal 1 Metrics (DITPR/DEDSO/DAAS/Data Call)

- 1.1. – Total number of Log IT systems in portfolio - DITPR
- 1.2. – Number of core Log IT systems compliant with DoDI 5000.64 – Data Call/Future DITPR
- 1.3. – Number of core Log IT systems compliant with DoDI 5000.76 – Future DITPR – FY25
- 1.4. – Number of core Log IT systems compliant with DoDM 4140.01 V11 – Data Call/Future DITPR
- 1.5. – Number of core Log IT systems capable of variable length transactions – Future DITPR
- 1.6. – Number of ADCs implemented – DLA/DEDSO
- 1.7. – Number of Log IT system compliance with DLMS in accordance with DoDM 4140.01 v8 – DLA/DAAS
- 1.8. – Number of core Log IT systems compliant with DTEB EDIs - USTRANSCOM
- 1.9. – Number of DTEB Data Management (DM) changes implemented - USTRANSCOM
- 1.10. – Multiple Component System Use: Number of SOC 1 reportable core Log IT systems - Advana
- 1.11. – Number of ICOFR systems and number of systems waived from FM Sys Review – DoD CFO

“Quality”

Goal 2 Metrics

- 2.1. – Data availability in authoritative sources (DITPR, SNAP IT, DITIP) - Advana
- 2.2. – Number of Log IT systems ingesting data to Advana - Advana
- 2.3. – Number of Log IT System related NFRs by Component – Advana/Data Call
- 2.4. – Number of Log IT compliant with Logistics Functional Requirements - DITPR Future

“Right-Sizing”

Goal 3 Metrics (DITPR/MILDEP/4th Estate Input)

- 3.1. – Number of Log IT systems retired annually and planned for retirement over the Future Years Defense Program - DITPR
- 3.2. – Report Log IT sustainment costs annually - SNAP-IT/Advana
- 3.3. – OSD CIO Quad tool analysis - Advana

“Modernize and Secure Data”

Goal 4 Metrics (DoD CIO Led)

- 4.1. – Number of ICAM compliant Log IT systems - Advana
- 4.2. – Number of Log IT systems migrated to and operating in the cloud – Advana

“Proactive Funding and Investment Decisions”

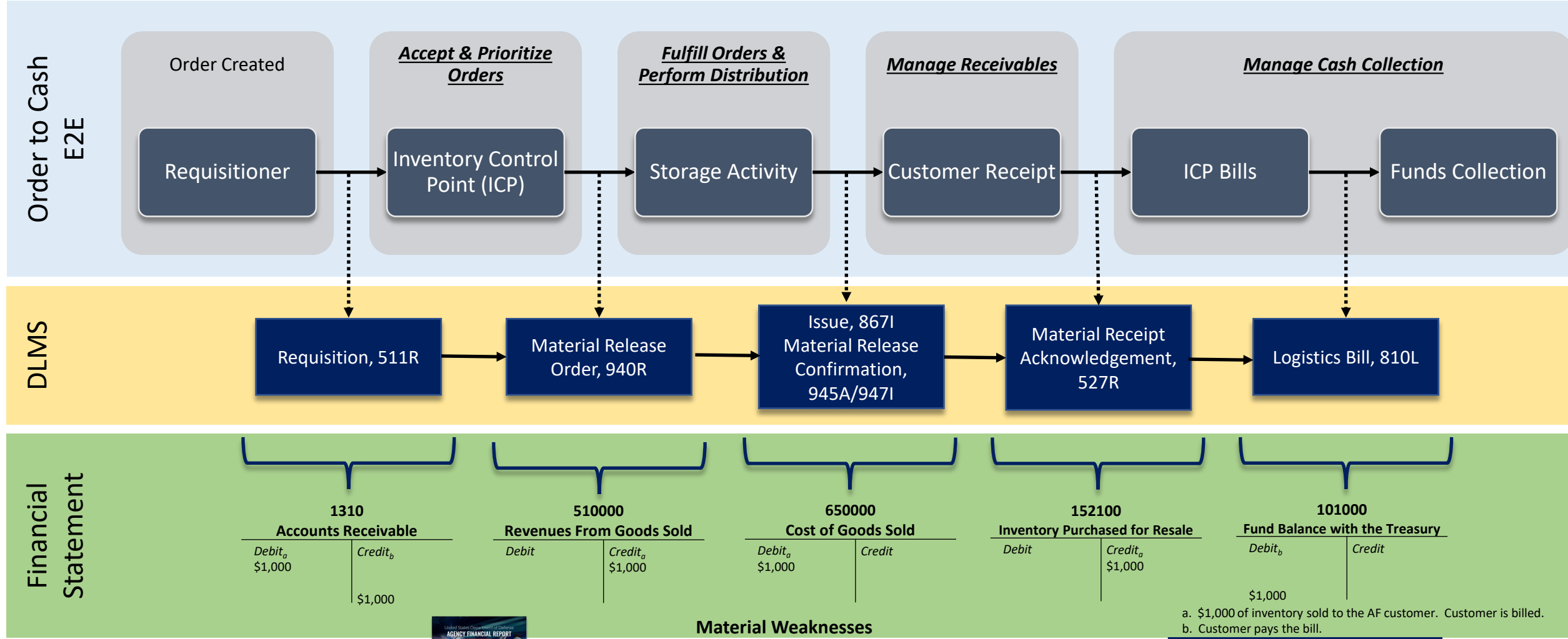
Goal 5 Metrics

- 5.1. – Number of data aligned systems capabilities appropriately resourced in FY - POM/Data Call
- 5.2. – Number of systems capabilities appropriately resourced by Value (\$) - POM/Data Call
- 5.3. – Number and value of unfunded Log IT system upgrades, modifications, modernization, or decommission over the Future Years Defense Program
- 5.4. – Assessed funding shortfalls in year of execution - Components reporting
- 5.5. – Develop a Log IT Portfolio Scorecard – Various Sources (Excel or PowerBI, eventually Advana)

Future state – Log IT Scorecard as part of an Advana Qlik Application



Order to Cash – Customer Requisition



a. \$1,000 of inventory sold to the AF customer. Customer is billed.
b. Customer pays the bill.



SUMMARY OF FINANCIAL STATEMENT AUDIT

Exhibit 1 lists the 28 material weaknesses in the Department's financial statement reporting as identified by the DoD OIG in the Independent Auditor's Report. The material weaknesses reported by the DoD OIG align with those identified by DoD management, which are primarily identified using the assessable unit categories as defined by DoD Risk Management and Internal Control Program.

DLMS will help address these Material Weaknesses



77 Focused Log IT Systems (Integrated with CIO, CFO, and LOG)

In Scope for Both FM Systems Review and FY24 DBS Annual Certification (17)

In Scope for FM Systems Review Only (48)

In Scope for FY24 DBS Annual Certification Only (9)

In Scope as known relevant Logistics IT System (3)

Reason in Scope	DITPR ID	System Acronym	Component
Log System in scope for FM Systems Review	13267	AESIP	ARMY
Log System in scope for FM Systems Review	15951	ASRS-ANAD	ARMY
Log System in scope for FM Systems Review	16927	ASRS-CCAD	ARMY
Log System in scope for FM Systems Review	16529	ASRS-LEAD	ARMY
Log System in scope for FM Systems Review	13771	ASRS-RIA-JMTC	ARMY
Log System in scope for FM Systems Review	12323	ASRS-RRAD	ARMY
Log System in scope for FM Systems Review	6185	ASRS-TYAD	ARMY
FY24 DBS Certification Covered or Priority System	621	GCSS-A INC 1	ARMY
FY24 DBS Certification Covered or Priority System	622	GFBS	ARMY
Log System in scope for FM Systems Review	232	LMP PRODUCTION BASELINE	ARMY
Log System in scope for FM Systems Review	1364	MHP	ARMY
Log System in scope for FM Systems Review	19395	MTMS-FM MOBILE	ARMY
Log System in scope for FM Systems Review	3853	SAAS-MOD	ARMY
Log System in scope for FM Systems Review	15777	SILC	ARMY
Log System in scope for FM Systems Review	2775	CEFMS II	ARMY
Known relevant Logistics IT system (previously reported)	260	PBUSE	ARMY
FY24 DBS Certification Covered or Priority System	17161	CARTS R/M	DECA
Log System in scope for FM Systems Review	871	CMPP	DECA
Log System in scope for FM Systems Review	3275	DECA EC/EDI	DECA
FY24 DBS Certification Covered or Priority System	12134	EBS	DECA
Log System in scope for FM Systems Review	8680	EDARTS	DECA
FY24 DBS Certification Covered or Priority System	5930	EDW	DECA
Log System in scope for FM Systems Review	1403	WMS	DECA
System in scope for FM Systems Review	128	DML-ES	DHA
FY24 DBS Certification Covered or Priority System	14283	BLSA	DLA
FY24 DBS Certification Covered or Priority System	17560	CAGE	DLA
FY24 DBS Certification Covered or Priority System	14243	DIW	DLA
FY24 DBS Certification Covered or Priority System	13412	DMLSS-W	DLA
FY24 DBS Certification Covered or Priority System	3266	DPAS	DLA
FY24 DBS Certification Covered or Priority System	281	DSS	DLA
FY24 DBS Certification Covered or Priority System	488	EBS	DLA
FY24 DBS Certification Covered or Priority System	17559	EPOS	DLA
FY24 DBS Certification Covered or Priority System	14007	FEAMS	DLA
FY24 DBS Certification Covered or Priority System	416	FedMall	DLA
FY24 DBS Certification Covered or Priority System	286	FLIS	DLA
FY24 DBS Certification Covered or Priority System	221	HMMS	DLA
FY24 DBS Certification Covered or Priority System	10836	MEBS	DLA
FY24 DBS Certification Covered or Priority System	13283	STORES	DLA

Reason in Scope	DITPR ID	System Acronym	Component
FY24 DBS Certification Covered or Priority System	15772	ALE	Navy
Log System in scope for FM Systems Review	811	CAV	Navy
Log System in scope for FM Systems Review	1664	DECKPLATE	Navy
Log System in scope for FM Systems Review	4595	ERMS	Navy
Log System in scope for FM Systems Review	13585	EXMIS	Navy
Log System in scope for FM Systems Review	1635	MSC-LES-AFL	Navy
Log System in scope for FM Systems Review	1632	MSC-LES-ASH	Navy
FY24 DBS Certification Covered or Priority System	802	NAVY ERP	Navy
Log System in scope for FM Systems Review	309	NDMS	Navy
FY24 DBS Certification Covered or Priority System	15808	NMMES	Navy
FY24 DBS Certification Covered or Priority System	31627	N-MRO	Navy
Log System in scope for FM Systems Review	299	NTCSS	Navy
Log System in scope for FM Systems Review	727	OIS	Navy
Log System in scope for FM Systems Review	1547	PDREP-AIS	Navy
Known relevant Logistics IT system (Navy SCAP)	318	SEMS-SERMIS	Navy
Known relevant Logistics IT system (Navy SCAP)	21534	NOSS	Navy
Log System in scope for FM Systems Review	219	ABS	USAF
Log System in scope for FM Systems Review	404	ADIS	USAF
Log System in scope for FM Systems Review	12827	AF DSS	USAF
Log System in scope for FM Systems Review	920	ALMSS	USAF
Log System in scope for FM Systems Review	8612	CAV – AF	USAF
Log System in scope for FM Systems Review	224	CEMS (D042)	USAF
Log System in scope for FM Systems Review	952	CIDS	USAF
Log System in scope for FM Systems Review	451	CMOS	USAF
Log System in scope for FM Systems Review	200	DMAPS	USAF
Log System in scope for FM Systems Review	971	DMSI	USAF
Log System in scope for FM Systems Review	16181	ESCAPE	USAF
Log System in scope for FM Systems Review	198	ILS-S	USAF
Log System in scope for FM Systems Review	2104	IMDS CDB	USAF
FY24 DBS Certification Covered or Priority System	16206	MROi	USAF
Log System in scope for FM Systems Review	443	PRPS	USAF
Log System in scope for FM Systems Review	213	RAMPOD	USAF
Log System in scope for FM Systems Review	201	REMIS	USAF
Log System in scope for FM Systems Review	197	SCS	USAF
Log System in scope for FM Systems Review	26769	TICMS	USAF
FY24 DBS Certification Covered or Priority System	303	GCSS-MC/LCM	USMC
Log System in scope for FM Systems Review	372	TMS	USMC
Log System in scope for FM Systems Review	349	FMxC2	USTRANSCOM
FY24 DBS Certification Covered or Priority System	359	ICODES	USTRANSCOM



Logistics IT Equipment APSRs (20) and Materiel Management Inventory System (29)

Component	Count
Army	5
DHA	1
DLA	5
Navy	10
USAF	9
USMC	1
Total	31

System Type	Count
Both Equipment APSR and Inventory/Materiel Management System	18
Equipment APSR Only	2
Materiel Management Inventory System Only	11
Neither Equipment APSR or Inventory/Materiel Management System	46

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Log System in scope for FM Systems Review	15951	ASRS-ANAD	ARMY
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Log System in scope for FM Systems Review	451	CMOS	USAF
Log System in scope for FM Systems Review	200	DMAPS	USAF
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Log System in scope for FM Systems Review	201	REMIS	USAF
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10 U.S. Code § 2222

§2222. Defense business systems: business process reengineering; enterprise architecture; management

(a) DEFENSE BUSINESS PROCESSES GENERALLY.-The Secretary of Defense shall ensure that defense business processes are reviewed, and as appropriate revised, through business process reengineering to match best commercial practices, to the maximum extent practicable, so as to minimize customization of commercial business systems.

(b) DEFENSE BUSINESS SYSTEMS GENERALLY.-The Secretary of Defense shall ensure that each covered defense business system developed, deployed, and operated by the Department of Defense-

- (1) supports efficient business processes that have been reviewed, and as appropriate revised, through business process reengineering;
- (2) is integrated into a comprehensive defense business enterprise architecture;
- (3) is managed in a manner that provides visibility into, and traceability of, expenditures for the system; and
- (4) uses an acquisition and sustainment strategy that prioritizes the use of commercial software and business practices.

Investment Guidance

(d) Guidance Elements.-The guidance issued under subsection (c) shall include the following elements:

- (1) Policy to ensure that the business processes of the Department of Defense are continuously reviewed and revised-
 - (A) to implement the most streamlined and efficient business processes practicable; and
 - (B) to eliminate or reduce the need to tailor commercial off-the-shelf systems to meet or incorporate requirements or interfaces that are unique to the Department of Defense.
- (2) A process to establish requirements for covered defense business systems.
- (3) Mechanisms for the planning and control of investments in covered defense business systems, including a process for the collection and review of programming and budgeting information for covered defense business systems.
- (4) Policy requiring the periodic review of covered defense business systems that have been fully deployed, by portfolio, to ensure that investments in such portfolios are appropriate.
- (5) Policy to ensure full consideration of sustainability and technological refreshment requirements, and the appropriate use of open architectures.
- (6) Policy to ensure that best acquisition and systems engineering practices are used in the procurement and deployment of commercial systems, modified commercial systems, and defense-unique systems to meet Department of Defense missions.
- (7) Policy to ensure a covered defense business system is in compliance with the Department's auditability requirements.
- (8) Policy to ensure approvals required for the development of a covered defense business system.

Defense Business Enterprise Architecture (BEA)

(e) Defense Business Enterprise Architecture.-

(1) Blueprint.-The Secretary, working through the Chief Information Officer of the Department of Defense, shall develop and maintain a blueprint to guide the development of integrated business processes within the Department of Defense. Such blueprint shall be known as the "defense business enterprise architecture".

(2) Purpose.-The defense business enterprise architecture shall be sufficiently defined to effectively guide implementation of interoperable defense business system solutions and shall be consistent with the policies and procedures established by the Director of the Office of Management and Budget.

(3) Elements.-The defense business enterprise architecture shall-

- (A) include policies, procedures, business data standards, business performance measures, and business information requirements that apply uniformly throughout the Department of Defense; and
- (B) enable the Department of Defense to-
 - (i) comply with all applicable law, including Federal accounting, financial management, and reporting requirements;
 - (ii) routinely produce verifiable, timely, accurate, and reliable business and financial information for management purposes;
 - (iii) integrate budget, accounting, and program information and systems; and
 - (iv) identify whether each existing business system is a part of the business systems environment outlined by the defense business enterprise architecture, will become a part of that environment with appropriate modifications, or is not a part of that environment.

Defense Business Systems, Defined

(1)(A) Defense business system.-The term "defense business system" means an information system that is operated by, for, or on behalf of the Department of Defense, including any of the following:

- (i) A financial system.
- (ii) A financial data feeder system.
- (iii) A contracting system.
- (iv) **A logistics system.**
- (v) A planning and budgeting system.
- (vi) An installations management system.
- (vii) A human resources management system.
- (viii) A training and readiness system.

(B) The term does not include-

- (i) a national security system; or
- (ii) an information system used exclusively by and within the defense commissary system or the exchange system or other instrumentality of the Department of Defense conducted for the morale, welfare, and recreation of members of the armed forces using non-appropriated funds.

(2) Covered defense business system.-The term "covered defense business system" means a defense business system that is expected to have a total amount of budget authority, over the period of the current future-years defense program submitted to Congress under section 221 of this title, in excess of \$50,000,000. (DoD CIO uses \$25,000,000 FYDP threshold)

[https://uscode.house.gov/view.xhtml?req=\(title:10%20section:2222%20edition:prelim\)#amendment-note](https://uscode.house.gov/view.xhtml?req=(title:10%20section:2222%20edition:prelim)#amendment-note)

Requires Annual Certification review to assess DBS compliance with requirements for rationalization, the BEA (to include data standards), and auditability requirements.



Barriers to DLMS Implementation



Money

- Implementing DLMS is expensive
- Requires rationalization of legacy systems



Training

- Lack of training and experience of personnel that understand DLMS



Time

- It takes a lot of time to implement
- DLMS was established over 20 years ago

Prioritization and Competition for Resources

Impacts:

- Operating in a mixed DLMS-MILS environment
 - Allocating resources to translation takes away resources from other capabilities for the Warfighter
- Tightly connected to IT system modernization and rationalization progress
- Impacts the achievement of accountability, visibility, and auditability

Components can either allocate resources to implement DLMS now or continue to operate at a higher long-term cost in a mixed environment and delay IT and weapon systems capabilities to the Warfighter