



**DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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October 28, 2015

**MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS
CONTRACT ADMINISTRATION PRC MEMBERS AND FINANCE PRC MEMBERS**

**SUBJECT: Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1183,
Revise Federal Implementation Conventions (IC) 856 (Ship Notice/Manifest),
DLMS IC 856 (Advance Shipment Notice) and Federal IC 857 (Shipment and
Billing Notice) to add Final Shipment Indicator and Final Invoice Indicator
(Supply/Contract Administration/Finance)**

The attached change to DLM 4000.25, Defense Logistics Management Standards is approved for implementation.

Addressees may direct questions to Ms. Samantha Mosser, DLMSO Contract Administration Lead, 703-767-5288, DSN 427-5288, or e-mail: Samantha.Mosser@dla.mil. Others must contact their Component designated representative available at <https://www2.dla.mil/j-6/dlmsocertaccess/svcpointspoc/allpoc.asp>.

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:
ODASD (SCI)
WAWF PM

ADC 1183

Revise Federal Implementation Convention (IC) 856 (Ship Notice/Manifest), DLMS IC 856 (Advance Shipment Notice) and Federal IC 857 (Shipment and Billing Notice) to add Final Shipment Indicator and Final Invoice Indicator

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

- a. **Submitting Service/Agency:** DPAP PDI, (703) 697-4384
- b. **Technical POC:** WAWF PMO, (703) 697-4452
- c. **Functional POC:** DPAP PDI, (703) 697-4384

2. FUNCTIONAL AREA:

- a. **Primary/Secondary Functional Area:** Shipment Notice/Manifest Report, Shipment and Billing Notice
- b. **Primary/Secondary Functional Process:** Contract Administration and Automated Contract Closeout

3. REFERENCES:

- a. iRAPT Requirements (DR_1274), Final Indicators Required
- b. [Approved DLMS Change \(ADC\) 1163](#), Automated Contract Closeout using the DLMS 567C and Update Non-Automated Contract Closeout Procedures using the DLMS 567C

4. Approved CHANGE(S):

- a. **Brief Overview of Change:** Changes made subsequent to the staffing of the Proposed DLMS Change are highlighted in green.

(1) This change adds the Final Shipment Indicator in Ship Notice/Manifest Report (Federal 856, 4010 Version). It will also affect extracts carrying this field, such as Advance Shipment Notice (DLMS 856, Version 4010).

(2) This change adds the Final Invoice Indicator in Shipment and Billing Notice (Federal 857, Version 4010). It will also revise the Federal Notes in 2/N901/110 for, Code SI, Shipper's Identifying Number for Shipment (SID), to indicate that the shipment is not final, and Code FS, Final Sequence Number, to include new business rules for final shipment.

- b. **Background:** During analysis of contract closeout eligible data, it was determined that a majority of final invoices are NOT marked as final in Wide Area Workflow e-Business

suite, Invoicing, Receipt, Acceptance, and Property Transfer (iRAPT). This prevents the Automatic Contract Closeout Process from running for those contracts, limiting the functionality of the tool (Reference 3.b.). The iRAPT tool is being modified so the final shipment and final invoice indicators in iRAPT, which currently default to 'N', will not default to any value and will require the document initiator to actively select either 'N' or 'Y'.

(1) The Acquisition workforce has limited access to real-time disbursement data. For tracking, identification, and validation, the final invoice indicator is a critical tag for managing contract actions ready for closeout. The Acquisition workforce needs improved data integrity for reporting of the final invoice.

(2) When applicable, vendors are not consistently and accurately selecting the 'Final Invoice' tag in iRAPT. Inaccurate reporting of the final invoice creates downstream challenges to identify unmatched disbursements, unliquidated obligations, and/or unfulfilled orders.

(3) Currently, if the payment system is the Mechanization of Contract Administration Services (MOCAS) or DLA Enterprise Business System (EBS), or the contract is **DLA** or Defense Contract Management Agency (DCMA) administered, using a 'Z' as the 8th character of the shipment number will designate final shipments, and iRAPT will set the Final Shipment Indicator to 'Y'. For other systems, there is not currently a way to indicate the shipment is final. To accommodate systems that do not currently have a way to submit the final shipment indicator, the iRAPT 856 will be modified to carry a Final Shipment Indicator in the REF Segment.

(4) The iRAPT 857, based upon the Federal 857 IC, is a combination shipment and billing notice prepared by a vendor for transmission to iRAPT, there is no DLMS equivalent of this transaction. After processing, iRAPT separates the content as appropriate to provide separate outgoing transactions formatted using the applicable 810 invoice transaction or 856 shipment notice transaction.

(5) The WAWF iRAPT team will add the final invoice indicator to the respective iRAPT 810 transactions.

c. Approved Change in Detail:

(1) Federal 856, Version 4010, Ship Notice/Manifest (inbound - vendor to iRAPT). Add Code FS, Final Sequence Number, to identify Final Shipment Indicator in 2/REF01/150, for use in the Shipment loop (HL03 Code S). Use 'Y' or 'N' in 2/REF02/150, to indicate whether the transaction is a Final Shipment or not a Final Shipment.

(2) DLMS 856, Version 4010 (ASN) (outbound – iRAPT to DoD Activity). Add Code FS, Final Sequence Number, to identify Final Shipment Indicator in 2/REF01/150, for use in the Shipment loop (HL03 Code S). Use 'Y' or 'N' in 2/REF02/150, to indicate whether the transaction is a Final Shipment or not a Final Shipment.

(3) Federal 857, Version 4010, Shipment and Billing Notice (inbound – vendor to iRAPT).

(a) Add Federal Note for Code SI, Shipper's Identifying Number for Shipment (SID), to indicate that the shipment is not final in 2/N901/110, for use in the Shipment loop (HL02 Code S). Enter the Shipment Number in 2/N902/110. If the shipment is final, this data element must be used in conjunction with the business rules in Code FS, Final Sequence Number.

(b) Revise Federal Note for Code FS, Final Sequence Number, to indicate the shipment is final in 2/N901/110, for use in the Shipment loop (HL03 Code S). For MOCAS, EBS, or contract is DLA or DCMA administered, enter the Shipment Number in 2/N902/110, and the 8th position must be a 'Z'. For other systems (non MOCAS, EBS, or contract is not DLA or DCMA administered), enter the Shipment Number (without the 'Z') in 2/N902/110. This data element must be used in conjunction with the business rules in Code SI, Shipper's Identifying Number for Shipment (SID).

(c) Add Code I5, Invoice Identification, to identify Final Invoice Indicator in 2/N901/150, for use in the Shipment loop (HL03 Code S). Enter 'Final' in 2/N902/110, and enter 'Y' or 'N' in 2/N903/110, to indicate whether the transaction is a Final Invoice or not a Final Invoice.

(4) Vendors whose shipments are associated with MOCAS or EBS, or the contract is DLA or DCMA administered, will continue to use a 'Z' as the 8th character of the shipment number to designate the final shipment. They will also need to submit the Final Shipment Indicator in the iRAPT 856 (REF segment). For these systems, iRAPT will validate the format of the shipment number against the Final Shipment Indicator to ensure that the 8th character of the shipment number contains a 'Z' when the Final Shipment Indicator is 'Y'. If the validation fails, the vendor will be given an error message. For example, "ERROR: If The Final Shipment Indicator is set to 'Y', then the Shipment Number 'SHP1560' must be exactly 8 characters with the 8th position being a Z for the EBS pay system."

Staffing Note. Components must ensure contractors are aware of this change.

d. Revisions to DLM 4000.25 Manuals:

(1) Modify Federal and DLMS 856 Implementation Conventions (IC) per Enclosure 1.

(2) Modify Federal 857 IC per Enclosure 1.

e. Transaction Flow: No change to existing transaction flow. Vendors will send the Final Shipment Indicator information in the iRAPT 856 or the Final Invoice Indicator in the iRAPT 857 to iRAPT through the Global Exchange (GEX). GEX will translate the 856 or 857 into a user defined file (UDF) for input to iRAPT. The Final Shipment Indicator and Final

Invoice Indicator will be perpetuated to outgoing 856 shipment notices and 810 invoice transactions, inclusive of the DLMS 856 Advance Shipment Notice.

f. **Alternatives:** None.

5. REASON FOR CHANGE: During analysis of contract closeout eligible data, it was determined that a majority of final invoices are NOT marked as final in iRAPT. The Final Invoice tag defaults to 'No' response. Vendors are not accurately and consistently selecting the Final Invoice tag 70 percent of the time. When this occurs, the iRAPT workforce must rely upon manual verification to determine whether a vendor has received final payment and that the contract can be closed-out. This prevents the Automatic Contract Closeout Process from running for those contracts, limiting the functionality of the tool.

6. ADVANTAGES AND DISADVANTAGES:

a. **Advantages:** Allows agencies to take advantage of readily available technological capability to streamline operations and reduce cost in our financial management system. Reduces the need for individuals to manually determine legality, propriety, validity, and accuracy from poor error handling and information sharing. Streamlines operations to ensure invoices are authorized, legal, valid, proper, and correct.

b. **Disadvantages:** None

7. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: This change will be deployed in iRAPT Release 5.8, targeted for November 06-November 08, 2015.

8. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: The change reduces the need for individuals to manually determine legality, propriety, validity, and accuracy from poor error handling and information sharing will reduce long term costs.

9. IMPACT:

a. **DLMS Data Elements:** This change adds two new DLMS data elements:

(1) Final Shipment Indicator. The Final Shipment Indicator reflects whether the vendor shipment is a final shipment or not final shipment for the submitted procurement instrument identification number (PIIN)/supplemental procurement instrument identification number (SPIIN)/procurement instrument identifier (PIID).

(2) Final Invoice Indicator. The Final Invoice Indicator reflects whether the vendor invoice is a last invoice or not a last invoice for the submitted PIIN/SPIIN/PIID combination.

b. **Wide Area Workflow (WAWF):** Implement DLMS and Federal IC changes to iRAPT 856 and 857.

c. **Component Automated Information Systems (AIS):**

(1) iRAPT will modify the Final Shipment Indicator and Final Invoice Indicator in the WAWF eBusiness Suite.

(2) Component applications receiving the DLMS 856 ASN may need to be updated to accommodate the new data element identified in this DLMS Change to ensure that transactions will not fail when it is provided.

d. Transaction Services: Vendor transactions will continue to be routed through GEX and WAWF3-RA channels for translation and transfer to WAWF.

e. Non-DLM 4000.25 Series Publications: The WAWF Program Management Office will update the WAWF Guides for 856 and 857 to reflect the changes identified by this DLMS Change.

10. PDC Response Table:

Component	Response	
Air Force	Concurs without comment	Noted
Army	Concurs with PDC as written	Noted
Marine Corps	Concurs with PDC as written	Noted
Navy	Concurs with comment: This change, if approved, would require a change to RSupply in order to remain compliant for the 856S. PMW-150 would have the final determination on the disposition of the change subject to approval. Currently the only DLMS transaction in use in RSupply is the 856S Shipping Status; this change would require adding the Final Shipment Code to the REF02 segment. At this time it is unknown whether the activities using RSupply process a significant number of shipping status transactions against contract requisitions.	Noted
DLA	Concurs without comment	Noted
Transactions Services	Concurs without comment	Noted
USTRANSCOM	Concurs without comment	Noted

Enclosure 1

Item #	Location	856 Ship Notice/Manifest Federal IC Revisions	Reason
1.	2/REF01/150	<p><u>Add new Federal Note 2 to existing Code FS in Data Element REF01:</u></p> <p>FS Final Sequence Number Federal Note: 1. Use for final shipment indicator (Z) on Defense Logistics Management Standards (DLMS) Shipment Performance Notices (SPNs). Do not use on underrun quantity deliveries when a final line item shipment is replaced. Do not use for Defense Contract Management Agency Shipment Notices. The final shipment suffix is carried in 1/BSN/020 - BSN02 for these transactions. 2. For iRAPT, use in Shipment loop (HL03 Code S) to identify Final Shipment Indicator. Enter 'Y' in REF02 to identify that the transaction is a Final Shipment. Enter 'N' if the transaction is not final.</p>	Identify Final Shipment Indicator to support Automated Contract Closeout Process

Item #	Location	856 Advance Shipment Notice (ASN) DLMS IC Revisions	Reason
1.	DLMS Introductory Note	<p><u>Add PDC 1183 to DLMS Introductory note 9:</u></p> <p>- PDC 1183, Revise Federal Implementation Convention (IC) 856 (Ship Notice/Manifest), DLMS IC 856 (Advance Shipment Notice) and Federal IC 857 (Shipment and Billing Notice) to add Final Shipment Indicator and Final Invoice Indicator</p>	Identify Final Shipment Indicator to support Automated Contract Closeout Process
2.	2/REF01/150	<p><u>Add New Code and Federal Note in Data Element REF01:</u></p> <p>FS Final Sequence Number Federal Note: For iRAPT, use in Shipment loop (HL03 Code S) to identify the Final Shipment Indicator. Enter 'Y' in REF02 to identify that the transaction is a Final Shipment. Enter 'N' if the transaction is not final.</p>	Identify Final Shipment Indicator to support Automated Contract Closeout Process

Item #	Location	857 Shipment and Billing Notice Federal IC Revisions	Reason
1.	2/N901/110	<p><u>Add New Code and Federal Note in Data Element N901:</u></p> <p>I5 Invoice Identification Federal Note: For iRAPT, use in Shipment loop (HL03 Code S) to identify the Final Invoice Indicator. Enter 'Final' in N902, and 'Y' in NI03 to identify that the transaction is a Final Invoice. Enter 'N' if the transaction is not final.</p>	Identify Final Invoice Indicator to support Automated Contract Closeout Process

Item #	Location	857 Shipment and Billing Notice Federal IC Revisions	Reason
2.	2/N901/110	<p><u>Add Federal Note in Data Element N901, Code SI:</u></p> <p>SI Shipper's Identifying Number for Shipment (SID)</p> <p><i>For iRAPT, use in the Shipment loop (HL03 Code S), to indicate that the shipment is not final in N901. Enter the Shipment Number in N902. If the Shipment is final, this data element must be used in conjunction with the business rules in Code FS, Final Sequence Number.</i></p>	Support Automated Contract Closeout Process
3.	2/N901/110	<p><u>Revise Federal Note in Data Element N901, Code FS:</u></p> <p>FS Final Sequence Number</p> <p>Federal Note: Indicate suffix associated with final shipment <i>For iRAPT, the following rules are authorized:</i></p> <ol style="list-style-type: none"> <i>1) If the payment system is MOCAS, EBS, or contract is DLA or DCMA administered, use in the Shipment loop (HL03 Code S) to indicate that shipment is final. Enter the Shipment Number in N902, the 8th position must be a 'Z'.</i> <i>2) If the payment system is not MOCAS, EBS, or contract is not DLA or DCMA administered, use in Shipment loop (HL03 Code S) to indicate that the shipment is final. Enter the Shipment Number (without the 'Z') in N902.</i> <p><i>This data element must be used in conjunction with the business rules in Code SI, Shipper's Identifying Number for Shipment (SID).</i></p>	Support Automated Contract Closeout Process