



**DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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FORT BELVOIR, VIRGINIA 22060-6221**

IN REPLY
REFER TO

November 21, 2012

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) Addendum 473A, DLMS Revisions to Add the Associated Purchase Order (PO) Number (Supports DLA Interface with the Exchange, Navy Exchange Service Command (NEXCOM), and Marine Corps Exchange (**MCX**) Non-Appropriated Funds (NAF) Activities, and Non-DOD Customers) (MILSTRIP/Supply/Finance)

The attached change to Defense Logistics Manual (DLM) 4000.25, Defense Logistics Management System (DLMS) and DLM 4000.25-1, Military Standard Requisition and Issue Procedures (MILSTRIP) is approved for phased and staggered implementation. DLA Supply PRC representatives is required to actively monitor for implementation of this ADC and provide implementation dates when they become available. The updated DLMS Supplements will be posted to the DLA Logistics Management Standards Web at www.dla.mil/j-6/dlmso/elibrary/TransFormats/formats.asp within 10 days from the above date.

Addressees may direct questions to Ms. Ellen Hilert, DOD MILSTRIP Administrator, 703-767-0676 or DSN 427-0676, email: ellen.hilert@dla.mil, or Ms. Heidi Daverede, DOD MILSTRIP Alternate, 703-767-5111; DSN 427-5111, e-mail: heidi.daverede@dla.mil. Others may direct questions to their Service or Agency designated Supply PRC representative.

DONALD C. PIPP
Director
DLA Logistics Management
Standards Office

Attachment
As stated

cc:
ODASD(SCI)
DLA Finance PRC Representatives

Attachment to ADC 473A

DLMS Revisions to Add the Associated Purchase Order (PO) Number (Supports DLA Interface with the Exchange, Navy Exchange Service Command (NEXCOM), and Marine Corps Exchange (MCX) Non-Appropriated Funds (NAF) Activities, and Non-DOD Customers)

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

- a. **Service/Agency:** Defense Logistics Agency (DLA)
- b. **Functional POC:** DLA Troop Support, Order Fulfillment Division, (215)737-0414

2. FUNCTIONAL AREA: Supply (Requisitioning and Shipment) and Finance (Non-Interfund Invoicing)

3. REFERENCES:

- a. DLM 4000.25-1, Military Standard Requisitioning and Issue Procedures.
- b. DLM 4000.25, DLMS Manual.
- c. Approved DLMS Change (ADC) 473 DLMS Revisions to Add the Associated Purchase Order Number in Support of the DLA Interface with the Exchange, dated January 13, 2012.

4. REQUESTED CHANGE:

a. **Brief overview:** DLA Troop Support has several customers that have a requirement to have their internal Purchase Order (PO) number identified on their orders and perpetuated to subsequent transaction exchanges. Their systems are built strictly around this PO number (rather than the document number used by DOD systems). Changes to the identified DLMS transactions need to be made in order to fully provide and perpetuate the customer's PO number. This will allow customers to better integrate and maintain their processes with DLA. This change republishes the original ADC 473 revisions using a more generic DLMS note and adds a shipment documentation requirement. In response to a request, the initial implementation will be expanded to include NEXCOM. The revised DLMS note will authorize use of the PO number for the Exchange (per original requirement) and NEXCOM, as well as allow DLA to expand the usage if needed for the MCX and non-DOD customers without further DLMS coordination. **ADC 473A supersedes and replaces ADC 473 in its entirety.**

b. **Background:** ADC 473 (Reference 3.c.) updated DLMS transactions to support the Exchange (the Army and Air Force Exchange Service). The DLMS notes were explicit in only authorizing the new procedures for the DLA interface with the Exchange. Subsequently, NEXCOM identified a like requirement for transaction exchange and has also requested the inclusion of the PO number on shipment documentation.

c. Procedures, transactions, data elements, processing details in use today: ADC 473 has not been implemented. Current processes between the Exchange and DLA do not integrate with order fulfillment, shipment tracking, and billing processes. At present, only one DLMS transaction, the 511R Requisition, is used. The current Exchange version of that EDI document is truncated to DOD standards through manual intervention in 265,000 procurement transactions annually at cost estimated to exceed \$580,000 per year. Supply chain processes NOT currently supported by EDI communications include invoicing, shipment tracking, order inquiry, change orders, cancellation orders, due-in visibility, receiving, and non-conformance reporting. Materiel management in these processes is accomplished manually by email and telephone.

5. REQUESTED CHANGE(S):

a. Requested change in detail: This change will allow the Exchange and NEXCOM customer orders to include an internal PO number in the DLMS requisition transaction. DLA will then perpetuate the PO number through shipping and billing functions. This change impacts multiple transaction formats: DLMS 511R Requisition, 511M Requisition Modification, 856S Shipment Status, 869F Requisition Follow-up, and 940R Materiel Release Order, and the non-DLMS 810 Invoice. The shipping depot will also be required to display the PO number on the DD 1348-1A, Issue Release Receipt Document (IRRD), and DD Form 1348-2, IRRD with Address Label.

b. Proposed procedures:

(1) The Exchange and NEXCOM will submit requisitions using the DLMS 511R including the internal PO number. Requisitions will continue to be submitted at the line item level. A PO number may be applicable to multiple requisition document numbers, and, therefore, will not be unique to any specific requisition. Each requisition may include only one internal PO number. The DLA Enterprise Business System (EBS) will store this number for use in the materiel release order, shipment status, and invoice.

(2) If materiel is shipped by a commercial depot or a direct vendor delivery applies, DLA EBS will prepare the shipment status using the DLMS 856S and will include the internal Exchange or NEXCOM PO number. The Exchange and NEXCOM will map the data content provided in the standard DLMS format to the commercial shipment notice (856) data equivalents as used by the Exchange and NEXCOM. The Exchange and NEXCOM will make any necessary accommodations for the normally expected shipment and packaging data that is not provided in the DLMS shipment status transaction.

(3) If the materiel is shipped from a DLA Distribution Depot, EBS will include the customer's internal PO number on the DLMS 940R, Materiel Release Order. The DLA Distribution Standard System (DSS) will perpetuate this value to the shipment status and display it on the IRRD, block 27.

(4) DLA EBS will prepare an electronic bill using non-Interfund Invoice (EDI 810). The transaction shall include the customer's internal PO Number.

(5) DLA may expand use of the internal PO Number to other non-DOD customers as

needed without prior coordination under the DLMS change process.

(6) Required revisions to DLMS Supplements are shown below.

#	Location	DLMS 511R Requisition Revision	Reason
1.	DLMS Introductory Notes	<p><u>Add ADC 473A to DLMS Introductory Notes (remove reference to ADC 473):</u></p> <p>- <i>ADC 473A, DLMS Revisions to Add the Associated Purchase Order Number (Supports DLA Interface with the Exchange, Navy Exchange Service Command (NEXCOM), and Marine Corps Exchange (MCX) Non-Appropriated Funds (NAF) Activities and Non-DoD Customers)</i></p>	Identifies DLMS Changes included in the DLMS Supplement.
2.	2/N901/20	<p><u>Revise DLMS note with existing Qualifier AN:</u></p> <p>AN Associated Purchase Order DLMS Note: Use for cross-reference to the customer's internal Purchase Order (PO) Number (one PO Number per requisition document number). When submitted, this value will be perpetuated to subsequent transactions. Authorized for DLA interface with the Exchange, <i>NEXCOM, MCX, and non-DoD customers as required. (See ADC 473A)</i></p>	Supports expanded use of the PO number.

#	Location	DLMS 511M Modification Revision	Reason
1.	DLMS Introductory Notes	<p><u>Add ADC 473A to DLMS Introductory Notes (remove reference to ADC 473):</u></p> <p>- <i>ADC 473A, DLMS Revisions to Add the Associated Purchase Order Number (Supports DLA Interface with the Exchange, Navy Exchange Service Command (NEXCOM), and Marine Corps Exchange (MCX) Non-Appropriated Funds (NAF) Activities and</i></p>	Identifies DLMS Changes included in the DLMS Supplement.
2.	2/N901/20	<p><u>Revise DLMS note with existing Qualifier AN:</u></p> <p>AN Associated Purchase Order DLMS Note: Use for cross-reference to the customer's internal Purchase Order (PO) Number (one PO Number per requisition document number). When submitted, this value will be perpetuated to subsequent transactions. Authorized for DLA interface with the Exchange, <i>NEXCOM, MCX, and non-DoD customers as required. See ADC 473A.</i></p>	Supports expanded use of the PO number.

#	Location	DLMS 869F Requisition Follow-up Revision	Reason
1.	DLMS Introductory Notes	<p><u>Add ADC 473A to DLMS Introductory Notes (remove reference to ADC 473):</u></p> <p>- <i>ADC 473A, DLMS Revisions to Add the Associated Purchase Order Number (Supports DLA Interface with the Exchange, Navy Exchange Service Command (NEXCOM), and Marine Corps Exchange (MCX) Non-Appropriated Funds (NAF) Activities and</i></p>	Identifies DLMS Changes included in the DS.
2.	2/REF01/105	<p><u>Revise DLMS note with existing Qualifier AN:</u></p> <p>AN Associated Purchase Order DLMS Note: Use for cross-reference to the customer's internal Purchase Order (PO) Number (one PO Number per requisition document number). When submitted, this value will be perpetuated to subsequent transactions. Authorized for DLA interface with the Exchange, <i>NEXCOM, MCX, and non-DoD customers as required. See ADC 473A.</i></p>	Supports expanded use of the PO number.

#	Location	DLMS 940R Material Release Revision	Reason
1.	DLMS Introductory Notes	<p><u>Add ADC 473A to DLMS Introductory Notes (remove reference to ADC 473):</u></p> <p>- <i>ADC 473A, DLMS Revisions to Add the Associated Purchase Order Number (Supports DLA Interface with the Exchange, Navy Exchange Service Command (NEXCOM), and Marine Corps Exchange (MCX) Non-Appropriated Funds (NAF) Activities and</i></p>	Identifies DLMS Changes included in the DLMS Supplement.
2.	2/N901/0400	<p><u>Revise DLMS note with existing Qualifier AN:</u></p> <p>AN Associated Purchase Order DLMS Note: Use for cross-reference to the customer's internal Purchase Order (PO) Number (one PO Number per document number). When provided on the release order, this value will be perpetuated to the shipment status. Authorized for DLA-directed shipments to the Exchange, <i>NEXCOM, MCX, and non-DoD customers as required. See ADC 473A.</i></p>	Supports expanded use of the PO number.

#	Location	DLMS 4030 856S Shipment Status Revision	Reason
1.	DLMS Introductory Notes	<u>Add ADC 473A to DLMS Introductory Notes (remove reference to ADC 473):</u> - <i>ADC 473A, DLMS Revisions to Add the Associated Purchase Order Number (Supports DLA Interface with the Exchange, Navy Exchange Service Command (NEXCOM), and Marine Corps Exchange (MCX) Non-Appropriated Funds (NAF) Activities and Non-DoD Customers)</i>	Identifies DLMS Changes included in the DLMS Supplement.
2.	2/REF01/1500	<u>Revise DLMS note with existing Qualifier AN:</u> AN Associated Purchase Order DLMS Note: Use for cross-reference to the customer's internal Purchase Order (PO) Number (one PO Number per document number). Authorized for DLA-directed shipments to the Exchange, <i>NEXCOM, MCX, and non-DoD customers as required. See ADC 473A.</i>	Supports expanded use of the PO number.

c. Proposed transaction flow: The standard DLMS/MILSTRIP transaction flow for supply transactions applies to this process.

d. Revisions to DOD 4000.25 Manuals: Requires update to DLM 4000.25-1, MILSTRIP Appendices 1.1 and 3.48. Refer to Enclosure 1.

e. Alternatives: None identified.

6. REASON FOR CHANGE: This change will reduce customer cost in maintaining their systems. It will also allow DLA to get paid in a more timely manner. It will also ensure that DLA customers will continue to requisition from DLA Troop Support, generating sales and revenue. Allowing for the additional use of these procedures by NEXCOM and DLA's other customers is efficient and cost effective.

7. ADVANTAGES AND DISADVANTAGES:

a. Advantages: Increase sales and generate revenue for DLA. Facilitates processing for DLA's customers.

b. Disadvantages: None noted.

8. ASSUMPTIONS USED OR WILL BE USED IN THE CHANGE OR NEW DEVELOPMENT: The additional data field harmonizing the Exchange, NEXCOM, and DLA processes will be incorporated into transaction exchange data sets beginning with revisions to the DLMS 511R. A reference number (the Exchange PO number) will be propagated to and from DLA order fulfillment. Invoices (EDI 810) and Shipment Status (DLMS 856S) will follow and include the PO number. The Exchange and NEXCOM will reduce demands on DLA Troop Support tracking, allowing reconciliation through Exchange and NEXCOM resources. The

Exchange and NEXCOM will adopt use of the DLMS 511M for requisition modification, and the DLMS 869F, for requisition follow-up over time. The customer’s internal PO Number must be included in these two transactions because the source of supply is authorized to process the modification or follow-up as a new requisition when the document number is unmatched to an existing requisition.

9. ADDITIONAL COMMENTS TO CONSIDER: DLA EBS will be responsible for providing shipment status for materiel shipped by commercial depots pending possible future negotiation and contract changes to require the commercial depot to prepare the DLMS 856S. Inclusion of the customer’s internal PO number on the receiving report prepared by commercial vendors is also requested and must be evaluated by DLA for future procurement actions.

10. NOTE ANY REGULATIONS OR GUIDANCE: None identified.

11. ADDITIONAL REQUIREMENTS: Requires update of the DLA-unique Electronic Data Interchange (EDI) 810, Invoice, applicable to non-Interfund billing. DLA uses an American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 EDI 810 transaction to bill customers that do not use Interfund or the DLMS 810L, Logistics Bill. DLA has agreed to modify its unique billing transaction to support identification of the PO number consistent with ADC 473.

Location	810 Invoice	Reason
2/REF01/120	<u>Add new qualifier ‘AN’ with DLMS note:</u> AN Associated Purchase Order <i>Use for cross-reference to the customer’s internal Purchase Order (PO) Number.</i>	Supports the current Exchange and NEXCOM requirement, as well as other future customer requirements.

12. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: This change is authorized for phased and staggered implementation between DLA and its trading partners. Defense Automatic Addressing System (DAAS) mapping updates should be available for testing and subsequent partial implementation as early as March 2013. The target date for full implementation is March 2014. DLA is required to provide actual implementation dates when known.

13. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: The majority of the cost savings will be realized by the Exchange and NEXCOM. The projected savings are in excess of \$580,000 per year for the Exchange alone. DLA, the Exchange, and NEXCOM will benefit by having a seamless, fully automated order and financial process.

14. IMPACT:

a. New DLMS Data Elements: There are no new data elements associated with this proposal. The PO number data field was previously added to the DLMS 511R, 511M, 856S, 869F, and 940R.

b. Changes to DLMS Data Elements: The DLMS dictionary information was updated by ADC 473 to accommodate the customer's internal PO number usage and field length as shown below. Note: The customer's internal PO number is not associated with a Defense Federal Acquisition Regulation Supplement (DFARS) contract.

NAME: PURCHASE ORDER NUMBER

DEFINITION: ANY DOCUMENT ISSUED BY A DOD/FEDERAL ORGANIZATION; I.E., PURCHASE ORDER NUMBER, CONTRACT NUMBER (INCLUDING FEDERAL SUPPLY SCHEDULES, GENERAL SERVICES ADMINISTRATION SCHEDULES AND ALL OTHER BASIC CONTRACTS).

DATA CODE CHARACTERISTICS: TYPE: AN MIN: ~~13~~ 10 MAX: 13

REMARKS: THIS IS ALWAYS THE PROCUREMENT INSTRUMENT IDENTIFICATION NUMBER (PIIN) FOR THE DEPARTMENT OF DEFENSE OR THE EQUIVALENT EXPRESSION FOR CIVILIAN AGENCIES. THIS IS NEVER THE NUMBER OF A DELIVERY ORDER, CALL OR RELEASE AGAINST A BASIC AWARD INSTRUMENT. ***A PURCHASE ORDER NUMBER MAY BE INCLUDED ON REQUISITIONS AND SUBSEQUENT TRANSACTIONS AS A CROSS-REFERNCE TO THE CUSTOMER'S INTERNAL PURCHASE ORDER NUMBER.***

c. Automated Information Systems: There is programming impact to DLA EBS and DSS to accommodate the PO Number in transactions and printing of the IRRD. DLA EBS must ensure that notification of a commercial depot shipment to the Exchange or NEXCOM triggers the generation of the DLMS 856S containing the applicable PO Number. This change does not impact other DLMS trading partners.

d. DLA Transaction Services: Map update required. No special processing applicable.

e. INTEGRATED DATA ENVIRONMENT (IDE)/GLOBAL TRANSPORTATION NETWORK (GTN) CONVERGENCE (IGC). Map update required. No special processing applicable.

Enclosure 1, DLM 4000.25-1, MILSTRIP Manual Appendix Revisions

A. Update Appendix 1.1 as shown below:

“AP1.1.6.6.2. The Issue Release/Receipt Document data elements, configuration and locations are as follows:

(Intervening text not shown)

<u>BLOCK ELEMENT NAME</u>	<u>BLOCK SIZE/ NO. OF CHARACTERS</u>	<u>BLOCK NUMBER</u>
<i>(Intervening text not shown)</i>		

Perpetuate the customer’s internal PO number value: 10-13 characters purchase order (PO) number when provided on the release order.¹”

B. Update Appendix 3.48 as shown below:

**“BLOCK ENTRIES
FOR OTHER THAN FMS SHIPMENTS”**

(Intervening text not shown.)

27 This block may contain additional data including bar coding for internal use. This block may contain a 2D symbol that contains information for serially tracked items and repeats bar coded data content. Data entered in this block is as required by shipping activity by commodity. When data is entered in this block, it will be clearly identified. See Appendix 1.35 for Code 39 linear bar code and PDF417 2D symbol format information. See Appendix 1.36 for the Block 27 continuation page requirements.

(Intervening text not shown.)

Purchase Order (PO) Number - Perpetuate the customer’s internal PO number when provided on the release order. The PO number must be prefaced by text “PO #” to clarify the usage.¹”

¹ Refer to ADC 473A.

Enclosure 2, Comment Resolution

	Originator	Response/Comment	Disposition
1.	DLA	Concurs. Existing SCR requires update. No impact to the SDR process used by Exchange/NEXCOM.	Noted.
2.	Army	No response to PDC Addendum.	Noted. Army concurred with original staffing.
3.	Marine Corps	Concurs. Recommend replacing "the Exchange, NEXCOM, and other non-DOD customers" with "the Exchange, NEXCOM, and Marine Corps Exchange (MCX) DOD Non-Appropriated Funds (NAF) activities as well as non-DOD customers" throughout the document. The current wording used implies that the Exchanges are not DOD activities; however, they are DOD non-appropriated fund instrumentalities. This phrasing also incorporates MCX as a NAF customer.	Wording has been updated.
4.	Air Force	Concurs without comment.	Noted.
5.	USTRANSCOM	Concurs. USTRANSCOM request a minimum 30 day implementation period between release of ADC and authorized implementation by provider systems. This time is necessary in order to coordinate mapping changes and make required modifications to USTRANSCOM systems.	Noted.
6.	Navy	Concurs without comment.	Noted.

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