



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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FORT BELVOIR, VIRGINIA 22060-6221

IN REPLY
REFER TO J627

November 21, 2011

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Proposed Defense Logistics Management System (DLMS) Change (PDC) 497,
DLMS Revisions to Add the Associated Purchase Order Number in Support of the
Defense Logistics Agency (DLA) Interface with the Exchange (Supply)

We are forwarding the attached proposed change to DOD 4000.25-M, Defense Logistics Management System (DLMS), for evaluation and submission of a single coordinated Service/Agency position.

Request you review the attached proposed change and provide your comments/concurrence to DLA Logistics Management Standards not later than **30** days from the date of this memorandum. If nonconcurrence is provided, please provide an alternate method to meet the requirement being addressed. **The Exchange [formerly Army and Air Force Exchange Service (AAFES)], DLA, and DLA Transaction Services have immediate authorization to use these requirements for the transactions identified by their mutual agreement and at their own risk given that the requirements may change depending upon staffing results.**

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

A handwritten signature in black ink, appearing to read "Donald C. Pipp".

DONALD C. PIPP
Director
DLA Logistics Management Standards

Attachment
PDC 497

cc:
ODASD(SCI)

PDC 497

DLMS Revisions to Add the Associated Purchase Order Number in Support of the DLA Interface with the Exchange

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

- a. **Service/Agency:** DLA Logistics Management Standards
- b. **Functional POC:** DLA Troop Support, Order Fulfillment Division, 215.737.0414

2. FUNCTIONAL AREA:

- a. **Primary/Secondary Functional Area:** Supply

3. REFERENCES:

- a. DoD 4000.25-1-M, Military Standard Requisitioning and Issue Procedures.
- b. DoD 4000.25-M, DLMS Manual.

4. BACKGROUND:

a. DLA Troop Support has several non-DOD customers that have a requirement to have their internal Purchase Order Number identified on their orders and perpetuated to subsequent information exchanges. Their systems are built strictly around this PO Number. Changes to the identified DLMS transactions need to be made in order to fully integrate and maintain their processes with DLA. Without this capability, these customers would need to make several system programming updates to continue to send their requisitions using MILSTRIP.

b. The problem is that the order and bill in EBS is driven by MILSTRIP document number and these customer systems are driven by their local Purchase Order number

c. **Procedures, transactions, data elements, processing details in use today:** Current processes between the Exchange [formerly Army and Air Force Exchange Service (AAFES)] and DLA do not integrate with fulfillment, shipment tracking, and billing processes. The available DOD transactions do not include fields of information compatible and necessary to the Exchange. 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 among the agencies 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 customer order 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, DLMS 511M, DLMS 856S, DLMS 869F, and DLMS 940R, and the non-DLMS 810.

b. Proposed procedures:

(1) The Exchange will submit requisitions using the DLMS 511R including the internal Exchange PO Number. Requisitions will continue to be submitted at the line item level. A PO Number may be applicable to multiple requisition document numbers. The DLA Enterprise Business System (EBS) will store this number for use in the 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 shall include the internal Exchange PO Number. The Exchange shall map the data content provided in the standard DLMS format to the commercial shipment notice (856) data equivalents as used by the Exchange and its other suppliers. The Exchange shall 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 to be shipped from a DLA Distribution Depot, EBS will include the internal Exchange PO Number on the DLMS 940R, Materiel Release Order. The DLA Distribution Standard System (DSS) shall perpetuate this value to the shipment status.

(4) DLA EBS will prepare a monthly bill using non-Interfund Invoice (EDI 810). The transaction shall include the internal Exchange PO Number.

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

#	Location	DS 511R Requisition Revision	Reason
1.	DLMS Introductory Notes	<u>Add PDC 497 to DLMS Introductory Note 6:</u> - <i>PDC 497, DLMS Revisions to Add the Associated Purchase Order Number in Support of the DLA Interface with the Exchange</i>	Identifies DLMS Changes included in the DS.
2.	2/N901/20	<u>Add new qualifier 'AN' with DLMS note:</u> 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 (see PDC 497).	Supports Exchange requirement.

#	Location	DS 511M Modification Revision	Reason
1.	DLMS Introductory Notes	<u>Add PDC 497 to DLMS Introductory Note 6:</u> - <i>PDC 497, DLMS Revisions to Add the Associated Purchase</i>	Identifies DLMS Changes included in the DS.

		Order Number in Support of the DLA Interface with the Exchange	
2.	2/N901/20	<u>Add new qualifier 'AN' with DLMS note:</u> AN Associated Purchase Order DLMS Note: <i>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 (see PDC 497).</i>	Supports the Exchange requirement.

#	Location	DS 869F Requisition Follow-up Revision	Reason
1.	DLMS Introductory Notes	<u>Add PDC 497 to DLMS Introductory Note 6:</u> - PDC 497, DLMS Revisions to Add the Associated Purchase Order Number in Support of the DLA Interface with the Exchange	Identifies DLMS Changes included in the DS.
2.	2/REF01/105	<u>Add new qualifier 'AN' with DLMS note:</u> AN Associated Purchase Order DLMS Note: <i>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 (see PDC 497).</i>	Supports the Exchange requirement.

#	Location	DS 940R Material Release Revision	Reason
1.	DLMS Introductory Notes	<u>Add PDC 497 to DLMS Introductory Note 7:</u> - PDC 497, DLMS Revisions to Add the Associated Purchase Order Number in Support of the DLA Interface with the Exchange	Identifies DLMS Changes included in the DS.
2.	2/N901/0400	<u>Add new qualifier 'AN' with DLMS note:</u> AN Associated Purchase Order DLMS Note: <i>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 (see PDC 497).</i>	Supports the Exchange requirement.

#	Location	DS 4030 856S Shipment Status Revision	Reason
1.	DLMS Introductory Notes	<u>Add PDC 497 to DLMS Introductory Note 4:</u> - PDC 497, DLMS Revisions to Add the Associated Purchase Order Number in Support of the DLA Interface with the Exchange	Identifies DLMS Changes included in the DS.

2.	2/REF01/1500	<u>Add new qualifier 'AN' with DLMS note:</u> AN Associated Purchase Order DLMS Note: <i>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 (see PDC 497).</i>	Supports the Exchange requirement.
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c. Proposed transaction flow: The standard DLMS/MILSTRIP transaction flow applies.

d. 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 matter. It will also ensure that our customers will continue to requisition from DLA Troop Support, generating sales and revenue.

7. ADVANTAGES AND DISADVANTAGES:

a. Advantages (tangible/intangible): Increase sales and generate revenue for DLA

b. Disadvantages: None noted.

8. ASSUMPTIONS USED OR WILL BE USED IN THE CHANGE OR NEW DEVELOPMENT: The additional data field harmonizing the Exchange and DLA processes will be incorporated into transaction exchange data sets beginning with revisions to the current 511R. A reference number (the Exchange PO Number) shall 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 will reduce demands on DLA Troop Support tracking allowing reconciliation through Exchange resources. The Exchange shall adopt use of the DLMS 511M for requisition modification, and the DLMS 869F, for requisition follow-up over time. The Exchange PO Number must be included in these two transactions because the source of supply may process the modification or follow-up as a new requisition if 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.

10. NOTE ANY REGULATIONS OR GUIDANCE: None identified.

11. ADDITIONAL REQUIREMENTS: Requires update of the DLA EDI 810, Invoice, applicable to non-Interfund billing:

Location	810 Invoice Revision	Reason
2/REF01/120	<u>Add new qualifier 'AN' with DLMS note:</u> AN Associated Purchase Order DLMS Note: <i>Use for cross-reference to the customer's internal Purchase Order (PO) Number.</i>	Supports the Exchange requirement

12. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: The implementation will begin with the DLMS 511R transaction with a targeted near term date. The transactions will be implemented one-by-one. The second transaction will be the 856S.

13. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: The majority of the cost savings will be realized by the Exchange. The projected savings are in excess of \$580,000. DLA and the Exchange will both 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 is added to the DLMS 511R, 511M, 856S, 869F, and 940R.

b. Changes to DLMS Data Elements: The DLMS dictionary identifies the PO Number as a 13 position field. The DLMS dictionary information is updated to accommodate the Exchange PO Number. Note: The Exchange 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: ~~10~~ 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. ***THE 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. This change does not impact other DLMS trading partners.

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