



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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IN REPLY
REFER TO

April 23, 2013

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 1054, Intra-DLA Revisions to Procedures and DLMS 945A Materiel Release Advice, Denial Management Code for Credit to Commercial Venture (CV) Contract Associated with DLA Disposition Services under Reutilization Business Integration (RBI) (Supply/MILSTRIP/MILSTRAP)

The attached change to Defense Logistics Manual (DLM) 4000.25, DLMS, and DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP), is approved for immediate intra-DLA implementation. DLA Supply PRC representatives are required to actively monitor for implementation of this ADC and provide implementation dates when they become available.

Addressees may direct questions to Ms. Ellen Hilert, DOD MILSTRIP Administrator, 703-767-0676 or DSN 427-0676, e-mail: 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)

ADC 1054

Intra-DLA Revisions to Procedures and DLMS 945A Materiel Release Advice, Denial Management Code for Credit to Commercial Venture (CV) Contract Associated with DLA Disposition Services under Reutilization Business Integration (RBI) (Supply/MILSTRIP/MILSTRAP)

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

- a. **Technical POC**: DLA Logistics Information Service, LAE 269.961.5748
- b. **Functional POC**: DLA Disposition Services, DB 269.961.4140

2. FUNCTIONAL AREA:

- a. **Primary/Secondary Functional Area**: Supply/Inventory Management
- b. **Primary/Secondary Functional Process**: Material Release Order (MRO) Denial

3. REFERENCE:

- a. Approved Defense Logistics Management System (DLMS) Change ([ADC 1034](#), Intra-DLA Revision to Procedures to Support DLMS 945A, Materiel Release Advice, Cancellation Reason Code and Denial Management Code for Redistribution Orders Associated with DLA Disposition Services under Reutilization Business Integration (RBI) (Supply/Logistics), dated October 23, 2012
- b. [DLM 4000.25](#) DLMS, Volume 2, Chapter 16
- c. [DLM 4000.25-2](#), Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP), Appendix 2.6

4. REQUESTED CHANGE(S):

a. **Brief Overview of Change**: A new Denial Management Code must be added to the DLMS 945A (MILSTRIP Legacy Document Identifier Code (DIC) A6_, that represents a denial of an unauthorized Commercial Venture (CV) delivery order line item. Due to the limited number of available Management Codes the expanded use of Denial Code W for RBI unique requirements is approved.

b. **Background**:

(1) The DLA Disposition Services is a worldwide presence within the Department of Defense, with disposal specialists in 14 foreign countries, two U.S. territories, and 39 states. DLA Disposition Services' mission is the execution of disposition solutions for excess military property. The Reutilization Business Integration (RBI) project will replace the Disposal

Automated Information System (DAISY) by integrating DLA Disposition Services business processes within the DLA enterprise suite of applications, including the Enterprise Business System (EBS) for materiel management functions and the Distribution Standard System (DSS) for warehousing/distribution functions.

(2) Per Reference 3.b., DLA Disposition Services has a sales contract in place with a Commercial Venture (CV) firm to sell DOD surplus property. Normally, DLA Disposition Services will identify property categorized for CV and send the DLMS 846C Disposition Category Update transaction to the DLA Disposition Services Field Office to initiate processing. Upon receipt of the DLMS 846C indicating CV, the Field Office will generate the DLMS 846C Disposition Category Update Response transaction to DLA Disposition Services confirming or changing the assigned disposition category codes.

(3) If the Controlled Property Verification Office at the Field Office determines materiel is not CV eligible, the Disposition Category Update Response transaction will contain Disposition Category Code DS (Disposal) instead of SL (Sales), as well as a disposition category change reject reason code, as published in DLA Disposition Services 4160.14, reflecting the data characteristic or reason the item will not be released to the CV contract. DLA Disposition Services will in turn send the updated DLMS 846C to the Field Office. The reject reason code will cause the Field Office to remove the property from the CV holding area at the warehouse and allow the item to be processed through ultimate disposal.

(4) In limited situations, where a delivery order is released to the Field Office listing Disposal Turn-In Documents (DTID) to issue/ship to a CV firm, and a subsequent Reutilization/Transfer/Donation (RTD) system order is received for DTID(s) on that delivery order prior to shipment to the CV firm, a DLMS 945A Materiel Release Denial (MILSTRIP legacy DIC A6A/A6B/A61/A62) needs to be sent to DLA Disposition Services to remove the item from the delivery order and generate a systemic credit for that delivery order. A new denial management code for this scenario is required so that sales personnel at the DLA Disposition Services Field Offices have the ability to properly close-out a pick requirement for property that appears on the CV delivery order that does not qualify for issuing to CV, and expedite the denial with a systematic credit to the CV firm.

c. Describe Approved Change in Detail: Add Denial Management Code W – Unauthorized Commercial Venture Denial. For intra-DLA Disposition Services use only to indicate that the Field Office will not ship the DTID originally designated as an authorized CV. The Field Office will adjust the pick requirement for the CV firm to exclude the unauthorized CV item. DLA Disposition Services will create a systemic credit for the CV firm documentation.

d. Revisions to DLM 4000.25 Manuals:

(1) DLM 4000.25-2 MILSTRAP, Appendix 2.6 Management Codes, Paragraph AP2.6.2 Issue Related Transactions. See Enclosure 1.

(2) DLM 4000.25 DLMS, Volume 2 Supply, Chapter 16, add new paragraph C16.6.8.3.2.1.3.

C16.6.8.3.2.1.3. Use of DLMS 945A Materiel Release Denial for Unauthorized CV Materiel.
In limited situations, where a CV delivery order is released to the DLA Disposition Services Field Office listing DTIDs to issue/ship to a CV firm, and a subsequent mission essential RTD order is received for DTID(s) on that delivery order prior to shipment to the CV firm, a DLMS 945A Materiel Release Denial (MILSTRIP legacy DIC A6A/A6B/A61/A62) citing Denial Management Code W needs to be sent to DLA Disposition Services to remove the item from the delivery order and generate a systemic credit for that delivery order. Sales personnel at the DLA Disposition Services Field Offices will then have the ability to properly close-out a pick requirement for property that appears on the CV delivery order that does not qualify for issuing to CV and expedite the denial with a systematic credit to the CV firm.

e. **Approved Transaction Flow:** No new transactions or routing rules are required.

f. **Alternatives:** Identify a current denial management code that is not currently used by RBI EBS that is appropriate for this specific situation.

5. REASON FOR CHANGE: Currently available denial management codes on the DLMS 945A/document identifier code A6_ and cancellation reason codes on the DLMS 945A/document identifier code AG6 are not appropriate for use in this specific situation. Current codes do not create a credit to the CV firm, so they are billed for property that never should have been on the delivery order in the first place. The new denial management code will ensure in systematic fashion that both a credit to the CV documentation is generated and the property is not put on a subsequent delivery order.

6. ADVANTAGES AND DISADVANTAGES:

a. **Advantages:** DLA Disposition Services will be able to credit the CV firm for property in a quick, efficient, and systematic method.

b. **Disadvantages:** Updating the DLMS 945A Materiel Release Denial transaction will require minor coding changes in the RBI system suite (including DSS and EBS) to accommodate the mapping and processing of the new denial management code.

7. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: Authorized for immediate implementation.

8. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: Cost savings calculated at 76 hours a week for Sales Office and Site Personnel at an average of \$30/hour, 52 weeks a year for a total cost of \$118,560 a year in labor dollars to do causative research and manual intervention.

9. IMPACT:

a. **New DLMS Data Elements:** No new DLMS data elements required.

b. Changes to DLMS Data Elements: Add new Denial Management Code W to Logistics Qualifier 84. See Enclosure 2.

c. Automated Information Systems (AIS): EBS and DSS will require minor coding changes to properly map and process the new denial management code.

d. DLA Transaction Services: DLA Transaction Services must update the mapping for the DLMS 945A to reflect the new denial management code (or expanded use of 'W').

e. Non-DLA Logistics Management Standards Publications: N/A

ENCLOSURE 1

1. Update DLM 4000.25-2 MILSTRAP, Appendix 2.6, to add new definition and DIC condition for Management Code W. Apply administrative fix to footnote citations for Management Code W (DIC A4_ and DIC D7_) to correct transposition error. (See changes in **red, bold, italics**)

“AP2.6.2. ISSUE RELATED TRANSACTIONS. Management codes are assigned for use in MILSTRAP issue related transactions (DIC D7_ Issues, DG_ Backorders, and DHA Demands) and MILSTRIP transactions (DIC Code A4_ Referral Orders, A5_ Materiel/Disposal Release Orders, A6_ Materiel/Disposal Release Denials, ACJ Disposal Release Cancellations, AE6 Supply status, AEJ Disposal Supply Status, AFJ Disposal Release Follow-ups, AGJ Reply to Disposal Release Cancellations, AKJ Disposal Release Cancellation Follow-ups, ARJ, ARK, and ARL Deposal Release Confirmations), and related release documentation (when applicable), as indicated below:

<u>CODE</u>	<u>APPLICABLE DIC</u>	<u>EXPLANATION</u>
W	A6A, A6B, A6I, A62¹	Unauthorized Commercial Venture (CV) Denial. For intra-DLA Disposition Services use to indicate that a delivery order line item is not authorized for processing as a Commercial Venture and credit must be provided to the Commercial Venture firm.
W	AE6, A4_ ² A6_ ³ , D7_ ⁴	Denied. Cannot identify DoDAAC/MAPAC of designated materiel recipient.
W	All other DICs	Reserved for future DoD assignment.

¹ **See ADC 1054,**

² **Authorized for use only in intra-Navy referral orders.**

³ **Excludes intra-DLA Disposition Services A6A, A6B, A6I, and A62 denial transactions in support of Commercial Venture actions.**

⁴ **Authorized for use only in intra-Navy D7_ Issue transaction reversals and in D7_ Issue transaction reversals between Navy Specialized Support Points and DLA.**

ENCLOSURE 2

1. Add new Management Code W to Table 84. (See changes in **red, bold, italics**).

NAME: Management Code

ALIAS: Management Code

DEFINITION: Provides supplemental data not indicated through the transaction coding structure. When a situation exists which is not covered by a code, the Component managing the distribution system may assign codes a through l (except i) and other codes as specified below, and may prescribe their entry in appropriate transactions.

REMARKS: This master table consists of six (6) table sub-sets as follows: table 84-1 - DLSS/DLMS requisition related transactions; table 84-2 - DLSS/DLMS receipt related transactions; table 84-3 - DLSS/DLMS issue related transactions; table 84-4 - DLSS/DLMS gain/loss related transactions; table 84-5 - DLSS/DLMS physical inventory related transactions; table 84-6 - DLSS/DLMS information transactions. (Note: all DLSS **DIC** are in parentheses).

SOURCE: Defense Logistics Management System (DLMS)

AVAILABLE FROM: Defense Logistics Management Standards Office (DLMSO)

DATA CODE CHARACTERISTICS: **TYPE:** ID **MIN:** 0001 **MAX:** 0001

CODE	NAME/DEFINITION	EXPLANATION
W	<i>Unauthorized Commercial Venture (CV) Denial. For intra-DLA Disposition Services use to indicate that a delivery order line item is not authorized for processing as a Commercial Venture and credit must be provided to the Commercial Venture firm.</i>	A6A, A6B, A6I, A6J

W	Denied. Cannot identify DoDAAC/MAPAC of designated materiel recipient.	<i>AE6, A4_ (Authorized for use only in intra-Navy referral orders), A6_, D7_ (Authorized for use only in intra-Navy issue reversals and issue reversals between Navy Specialized Support Points and DLA). Excludes intra-DLA Disposition Services A6A, A6B, A6I, and A62 denial transactions in support of Commercial Venture actions.</i>
W	Reserved for future DOD assignment	ALL OTHER <i>DICs</i>

ENCLOSURE 3

	Submitter	Response/Comment	Resolution
1.	DLA	DLA concurs without comment.	Noted.
2.	Army	No response received.	
3.	Navy	Navy concurs with PDC 1054 and requests no changes.	Noted.
4.	Air Force	AF concurs w/o comments.	Noted.
5.	Marine Corps	Headquarters Marine Corps has reviewed the subject PDC and concurs.	Noted.
6.	USTRANSCOM	USTRANSCOM 'abstains' on the attached PDC. There is no known impact to USTRANSCOM systems based on this change.	Noted.