



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD
FORT BELVOIR, VIRGINIA 22060-6221

November 26, 2013

MEMORANDUM FOR FINANCE PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Addendum to Approved Defense Logistics Management Standards (DLMS) Change 473B, DLMS Revisions to Add the Associated Purchase Order (PO) Number Supporting DLA Interface with The Exchange, Navy Exchange Services Command (NEXCOM), and Marine Corps Exchange (MCX) Non-Appropriated Funds (NAF) Activities, and Non-DOD Customers (Supply/Finance)

The attached change to Defense Logistics Manual (DLM) 4000.25, Defense Logistics Management System and DLM 4000.25-1, Military Standard Requisition and Issue Procedures (MILSTRIP) is authorized for phased and staggered implementation between DLA and its trading partners. The target date for full implementation is March 2014. DLA is required to provide actual implementation dates when known.

Addressees may direct questions to Mr. Robert Hammond, 703-767-2117; DSN 427-2117 email: financehq@dla.mil or Ms. Ellen Hilert, DOD MILSTRIP Administrator, 703-767-0676 or DSN 427-0676, email: ellen.hilert@dla.mil, 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 or Finance PRC representative.

A handwritten signature in black ink, appearing to read "Donald C. Pipp", is positioned above the typed name.

DONALD C. PIPP
Director
DLA Logistics Management
Standards Office

Attachment
As stated

cc:
ODASD(SCI)
Supply PRC

Attachment to ADC 473B

DLMS Revisions to Add the Associated Purchase Order (PO) Number Supporting 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

3. REFERENCES:

- a. [DLM 4000.25-1](#), Military Standard Requisitioning and Issue Procedures (MILSTRIP)
- b. [DLM 4000.25](#), Defense Logistics Management System
- c. Approved DLMS Change (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) dated November 21, 2012

4. APPROVED CHANGE:

a. **Brief overview:** This change updates the DLMS 810L Logistics Bill to include the PO number. It also corrects existing notes in the DLMS 810L Logistics Bill regarding PO numbers. The DLMS 812R, Logistics Bill Adjustment Request, and 812L, Logistics Bill Adjustment Request Reply, are updated accordingly. This proposal supplements ADC 473A (Reference 3.c.); it is not a replacement for the prior change. Significant changes from PDC 473B are highlighted in green.

b. **Background:** ADC 473A (Reference 3.c.) documented updates to selected DLMS implementation conventions to add the PO number to support The Exchange (formerly known as the Army and Air Force Exchange Service) and authorized use of the PO number for The Exchange and NEXCOM, and allowed DLA to expand the usage if needed for the MCX and non-DOD customers without further DLMS proposed change coordination. Subsequent to ADC 473A, DLA identified that the DLMS 810L Logistics Bill is used for non-Interfund billing for these customers vice a DLA unique 810 EDI transaction as originally stated in 473A. This proposed addendum is needed to clarify the billing procedures using the DLMS 810L.

c. Procedures, transactions, data elements, processing details in use today: ADC 473A is not fully 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 a cost estimated to exceed \$580,000 per year. Supply chain processes between DLA and The Exchange **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.

d. Approved change in detail:

(1) Add PO number to the DLMS 810L Logistics Bill. Full implementation of ADC 473A and this addendum will allow orders from The Exchange, NEXCOM, and those operating under 473A business procedures to include an internal PO number in the DLMS requisition transaction, which will be perpetuated through shipping and billing functions and be displayed on the DD 1348-1A, Issue Release Receipt Document (IRRD), and DD Form 1348-2, IRRD with Address Label.

(2) Add PO number to the 812R Logistics Bill Adjustment Request and DLMS 812L Logistics Bill Adjustment Request Reply.

(3) Update DLMS notes to clarify the requirement for inclusion of the document number associated with the requisition or other initiating transaction on each line of billing included in the DLMS logistics bill.

e. Procedures in addition to ADC 473A:

(1) DLA Enterprise Business System (EBS) will prepare an electronic bill using the DLMS 810L citing Transaction Type Code qualifier "CA" in 1/BIG07/020 to indicate non-Interfund billing. The transaction must identify the document number and may include the associated customer's internal PO Number, when available.

(2) Required revisions to the DLMS 810L Logistics bill are shown below.

#	Location	DLMS 810L Logistics Bill	Reason
1.	DLMS Introductory Notes	<p><u>Add Addendum to ADC 473B to DLMS Introductory Notes:</u></p> <p><i>- Addendum to ADC 473B, DLMS Revisions to Add the Associated Purchase Order Number Supporting DLA Interface with The Exchange, Navy Exchange Services 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/IT1/010	<p><u>Revise segment level DLMS Note 2:</u></p> <p>1. Must use one or more iterations of the 2/IT1/010 loop to provide billing data for a specific item or line of billing. Allowances or charges identifiable to a specific item or line of billing will be included in that line's 2/SAC/180 loop. Invoice level allowances or charges; that is, allowances or charges not identifiable to a specific item or line of billing, will be included in the 3/SAC/040 loop.</p> <p>2. Each line of billing (i.e., each 2/IT1/010 loop) must cite a unique transaction document number (<i>2/REF01/120 Qualifier TN</i>) for reference purposes. Use the requisition document number or purchase order number associated with the line of billing as the unique transaction number. <i>For bills in response to requisitions, this must be the requisition document number.</i></p> <p>3. Billing extended amounts for each billing line must be calculated (unit price times quantity).</p>	Clarifies that the document number is required for each line of billing. The purchase order number cannot be substituted for the document number.
3.	2/REF01/120	<p><u>Add Qualifier AN with DLMS note:</u></p> <p>AN Associated Purchase Orders DLMS Note: <i>Use to identify the customer's internal Purchase Order (PO) Number. The PO Number will cross-reference to the requisition document number (one PO Number per document number). When submitted on the requisition, this value must be perpetuated to the associated billing transactions. Authorized for DLA interface with the Exchange, NEXCOM, MCX, and non-DoD customers as required. See Addendum to ADC 473B.</i></p>	Meets requirement for a PO Number

#	Location	DLMS 810L Logistics Bill	Reason
4.	2/REF01/120	<p><u>Revise DLMS note with existing Qualifier TN:</u></p> <p>TN Transaction Reference Number DLMS Note: Use to identify the requisition or purchase order document number associated with the line of billing as the unique transaction number. For bills in response to requisitions, this must be the requisition document number. See Addendum to ADC 473B.</p>	Clarifies that the document number is required. The purchase order number cannot be substituted for the document number.

(3) Required revisions to the DLMS 812L Logistics Bill Adjustment Request Reply are shown below.

#	Location	DLMS 812L Logistics Bill Adjustment Request Reply	Reason
1.	DLMS Introductory Notes	<p><u>Add Addendum to ADC 473B to DLMS Introductory Notes:</u></p> <p>- <i>Addendum to ADC 473B, DLMS Revisions to Add the Associated Purchase Order Number Supporting DLA Interface with The Exchange, Navy Exchange Services 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/N901/200	<p><u>Add Qualifier AN with DLMS note:</u></p> <p>AN Associated Purchase Orders DLMS Note: Use to identify the customer's internal Purchase Order (PO) Number. The PO Number will cross-reference to the requisition document number (one PO Number per document number). Perpetuate value if provided in adjustment request. Authorized for DLA interface with the Exchange, NEXCOM, MCX, and non-DoD customers as required. See Addendum to ADC 473B.</p>	Provides future requirement for a PO Number to be included in a bill adjustment reply.
3.	2/N901/200	<p><u>Revise DLMS note with existing Qualifier TN:</u></p> <p>TN Transaction Reference Number DLMS Note: Use to identify the transaction document number associated with the billing adjustment request reply. For bills in response to requisitions, this must be the requisition document number. See Addendum to ADC 473B.</p>	Clarifies that the document number is required. The purchase order number cannot be substituted for the document number.

(4) Required revisions to the DLMS 812R Logistics Bill Adjustment Request are shown below.

#	Location	DLMS 812R Logistics Bill Adjustment Request	Reason
1.	DLMS Introductory Notes	<u>Add Addendum to ADC 473B to DLMS Introductory Notes:</u> - <i>Addendum to ADC 473B, 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/N901/200	<u>Add Qualifier AN with DLMS note:</u> AN Associated Purchase Orders DLMS Note: <i>Use to identify the customer's internal Purchase Order (PO) Number. The PO Number will cross-reference to the requisition document number (one PO Number per document number). When submitted, this value will be perpetuated to subsequent transactions. Authorized for DLA interface with the Exchange, NEXCOM, MCX, and non-DoD customers as required. See Addendum to ADC 473B.</i>	Provides future requirement for a PO Number to be included in a bill adjustment request
3.	2/N901/200	<u>Revise DLMS note with existing Qualifier TN:</u> TN Transaction Reference Number DLMS Note: <i>Use to identify the transaction-document number associated with the billing adjustment request. For bills in response to requisitions, this must be the requisition document number. See Addendum to ADC 473B.</i>	Clarifies that the document number is required. The purchase order number cannot be substituted for the document number.

f. Proposed transaction flow: The standard DLMS/MILSTRIP/MILSBILLS transaction flows for supply/finance transactions apply to this process.

g. Revisions to DLM 4000.25 Manuals: None.

h. Alternatives: None identified.

i. Proposed DLMS Change 473B Staffing Response/Comment Resolution:

	Originator	Response/Comment	Disposition
1.	DLA	Concurs.	Noted.
2.	Navy	Concur as written.	Noted.
3.	Air force	Concurs without comments.	Noted.

	Originator	Response/Comment	Disposition
4.	Marines Corps	Concurs with PDC 473B as written.	Noted.

5. REASON FOR CHANGE: This change will reduce customer costs to maintain their systems. It also allows DLA to receive payment in a more timely manner. It ensures 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.

6. ADVANTAGES AND DISADVANTAGES:

a. Advantages: This change increases sales and generates revenue for DLA. It also facilitates processing for DLA's customers.

b. Disadvantages: None noted.

7. 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 customer's internal PO number) will be propagated to and from DLA order fulfillment. Invoices (DLMS 810L) 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. The customer's internal PO Number is also added to the DLMS Logistics Bill Adjustment Request and Reply transactions to preserve the relationship between the document number and the PO should there be a future need for the Exchange, NEXCOM, or other customer to request a billing adjustment.

8. 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.

9. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: This change is authorized for phased and staggered implementation between DLA and its trading partners. The target date for full implementation is March 2014. DLA is required to provide actual implementation dates when known.

10. 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.

11. IMPACT:

a. DLMS Data Elements: Add the PO number data field to the DLMS 810L, 812L and 812R. PO number was previously added to DLMS 511R, 511M, 856S, 869F, and 940R and the IRRD.

b. Changes to DLMS Data Elements: The DLMS dictionary information was previously updated by ADC 473A to accommodate the customer's internal PO number usage and field length.

c. Automated Information Systems:

(1) DLA EBS - populate the PO number on the DLMS 810L and 812L and accept input of the PO number on the DLMS 812R.

(2) The Exchange and NEXCOM – accept input of the PO number and document number on the DLMS 810L and 812L and populate the PO number and the document number on the 812R.

(3) Integrated Data Environment (IDE)/Global Transportation Network (GTN) Convergence (IGC) - Map update required. No special processing applicable.

(4) Other DLMS trading partners - no impact.

d. DLA Transaction Services: Map update required. The PO number from the requisition should be added to the Web Visual Logistics Information Processing System (WEBVLIPS) extended data shown in WEBVLIPS.