



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

IN REPLY DLMSO
REFER TO

APR 29 2008

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

SUBJECT: Proposed Defense Logistics Management System (DLMS) Change (PDC) 307,
DLMS Lateral Redistribution Order Shipment Status (DLMS 856S/MILSTRIP
AS6) and Party to Receive Credit (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, DoD Component position. The interface requirement relating to this proposed change is shown to assist in your internal coordination. Omission of such a requirement does not relieve you of the responsibility to assure full coordination of the proposal within your Component.

Request you review the attached, proposed change and provide your comments/concurrence to DLMSO 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. However, due to the nature of the problem identified, DLMSO is giving interim approval to adjust the DLMS Supplements and Defense Automatic Addressing System (DAAS) map as shown in this document.

Addressees may direct questions to the DLMSO points of contact, Ms. Ellen Hilert, Chair, Supply PRC, 703-767-0676; DSN 427-0676; or, e-mail: ellen.hilert@dla.mil; or, Mr. Robert Hammond, Chair, Finance PRC, 703-767-2117; DSN 427; or, e-mail: robert.hammond@dla.mil. Others must contact their Component designated representative.

A handwritten signature in cursive script, appearing to read "Donald C. Pipp".

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:
ADUSD(SCI/L&MR)

PDC 307
DLMS LRO Shipment Status
(DLMS 856S/MILSTRIP AS6) and Party to Receive Credit

1. ORIGINATOR:

a. **Service/Agency:** Supply Process Review Committee (Supply PRC)

b. **Originator:** Ms. Ellen Hilert, Chair, Supply Process Review Committee, 703-767-0676; DSN 427-0676; or, e-mail: ellen.hilert@dla.mil

2. FUNCTIONAL AREA:

a. **Primary:** Supply

b. **Secondary:** Finance

3. REFERENCE/BACKGROUND:

a. **References:**

(1) DoD 4000.25-1-M, Military Standard Requisitioning and Issue Procedures (MILSTRIP) Manual, October 5, 2007, Chapter 9, Materiel Returns Program (MRP) and Lateral Redistribution of Retail Assets.

(2) DoD 4000.25-7-M, Military Standard Billing System (MILSBILLS) Manual, Chapter 2, Billing Procedures, May 2007.

b. **Background:**

(1) **DLMS Supplement/DAAS Map Disconnect.** This PDC corrects a mapping/documentation error causing the Defense Automatic Addressing System (DAAS) map/conversion and the DLMS Supplement to be out of sync. The problem is corrected by adding a code to the format, clarifying the intended use of specific data elements, removing obsolete information, and a small program adjustment at the DAAS. Although the error existed for some length of time, it was not uncovered until a missing qualifier was identified during testing of the XML version of the DLMS format for the shipment status used for lateral redistribution order (LRO) status. The proposed correction is intended to have minimal impact on implemented systems using the DLMS and relying on the DAAS map.

(2) **LRO Party to Receive Credit.** Supply Source directed lateral redistribution is used to satisfy backorders by generating LROs for retail material or to offset new procurement. The Distribution Code in the LRO indicates consumable or reparable material. The retail activity generates shipment status to the inventory control point (ICP), and identifies the Department of Defense Activity Address Code (DoDAAC) and Fund Code for reimbursement for material and for packing, crating, handling, and transportation (PCH&T) costs. The Supply Source prepares the shipment status to the requisitioner, bills the requisitioner, and provides credit for material and PCH&T to activity identified in shipment status. Reimbursement for

material is calculated at standard price for backorder release. Reimbursement for PC&H is calculated at 3.5% for consumables and 1% for reparable (percent of materiel credit). Billing offices use Accessorial and Other Miscellaneous Billings (DI code FN_). Reimbursement for Transportation cost is calculated at 2% (cost recovery rate for second destination transportation). Billing offices use Billing for Transportation (DI code FQ_). Because the MILSTRIP AS6 could only identify one activity to receive credit, all credit for material and PCH&T are directed to a single activity. This was identified as a shortfall, and DLMS placeholders were created to identify additional activities to receive credit for PCH&T as distinct and separate from the activity receiving material credit.

4. REQUESTED CHANGE:

a. Description of Change:

(1) This PDC is provided to document correction to the DLMS and DAAS conversion to properly identify the party to receive credit and the transaction originator when the shipment status is provided as LRO status. This requires an update to the DLMS Supplement 856S as indicated; perpetuation of code changes to the DLMS XML X12 EDI format, and a small adjustment to how the DAAS conversion program populates the “From” activity.

(2) This change also requests confirmation of planned DLMS enhancement to separately identify different parties to receive credit for material and PCH&T.

b. Procedures: Update the 4030 856S as follows:

Item #	Location	DS 4030 856S, Shipment Status Revision	Reason
1.	DLMS Introductory Notes	<u>Add PDC 307:</u> - PDC 307, Clarification of DLMS Shipment Status Supporting MILSTRIP AS6 to Identify Party to Receive Credit	Identifies DLMS Changes included in the DLMS Supplement
2.	2/N101/2200	Delete Qualifier RL and associated DLMS Notes: RL – Reporting Location DLMS Note: 1. Use for LRO shipment status to identify the organization responsible for release of the retail assets. 2. DLMS enhancement; see introductory DLMS note 2a. For conversion processing this will be understood to be the originating activity as identified by the document number DoDAAC.	This data element is obsolete and believed to be unused in Component DLMS implementations. The activity originally planned to be identified here is actually identified using Qualifier SB, Storage Activity.

Item #	Location	DS 4030 856S, Shipment Status Revision	Reason
3.	2/N101/2200	<p><u>Revise DLMS notes as follows:</u></p> <p>SB Storage Area DLMS Note: 1. Use to identify the initial shipping activity. 2. For Army Total Package Fielding (TPF), use to identify the Routing Identifier of the Unit Materiel Fielding Point (UMFP) or staging site originating the UMFP shipment document. 3. <i>Use for LRO shipment status to identify the organization responsible for release of the retail assets.</i> 2. <i>DLMS enhancement; see introductory DLMS note 2a. For conversion processing this will be understood to be the originating activity as identified by the Supplemental Address.</i></p>	<p>Clarifies usage as currently mapped to qualifier SB when converted from MILSTRIP AS6. Corrects the location of the originating activity in the MILSTRIP format to use the Supplemental Address (vice the document number DoDAAC).</p>
4.	2/N101/2200	<p><u>Add Qualifier ZB and DLMS notes as follows:</u></p> <p>ZB Party to Receive Credit DLMS Note: 1. <i>Use to identify the party to receive credit.</i> 2. <i>When used alone credit for material, transportation, and PC&H will be provided to the activity identified. See note 4.</i> 3. <i>For conversion processing this will be the activity as identified by the Supplemental Address.</i> 4. <i>As a DLMS enhancement, additional parties may be identified separately to receive credit for transportation and/or packing, crating, and handling (PC&H). This enhancement requires coordination prior to use.</i></p>	<p>Corrects the DLMS Supplement to identify the Qualifier ZB as is currently used in the DAAS map/conversion processing.</p> <p>Note 4 identifies planned DLMS enhancement for capability to separately identify parties to receive credit for different costs associated with the lateral redistribution action.</p>

Item #	Location	DS 4030 856S, Shipment Status Revision	Reason
5.	2/N101/2200	<p><u>Confirm DLMS enhancements are wanted/feasible for future implementation:</u></p> <p>AEJ Party to Receive Transportation Credit DLMS Note: 1. Use to identify the party to receive transportation credit when different from the party to receive credit for material. 2. DLMS enhancement; see introductory DLMS note 2a. 3. Qualifier "AEJ" replaces the temporary code assignment ("ZZ - Mutually Defined") used in version 4010.</p> <p>AEK Party to Receive Packing, Crating, and Handling Credit DLMS Note: 1. Use to identify the party to receive packing, crating, and handling credit when different from the party to receive credit for material. 2. DLMS enhancement; see introductory DLMS note 2a. 3. Qualifier "AEK" replaces the temporary code assignment ("77 - Service Location") used in version 4010.</p>	<p><u>DLMSO requests Components specifically comment</u> on the whether this capability is desired and feasible for future implementation. Provide estimated timeline for implementation if this functionality were to be approved. Approval could be restricted under DLMS for use with a specified supply source(s).</p>

5. REASON FOR CHANGE: This PDC corrects a disconnect between DLMS documentation and DAAS conversion resulting in confusion and a negative impact on DLMS implementation.

6. ADVANTAGES AND DISADVANTAGES:

- a. **Advantages:** Correction is required.
- b. **Disadvantages:** None known

7. IMPACT: Mapping correction: Minimal impact is anticipated since most DLMS implementations use the DAAS map as a reference guide, and therefore capture the party to receive credit from the code identified here. It is believed there are no uses for the “from address” which was incorrectly documented/mapped. Navy RSupply was impacted by the lack of the correct code in the DLMS XML format and must use an alternative method for identifying the activity -- the supplemental (address) data field is still carried for DLMS conversion and therefore the actual DoDAAC value is not lost.

8. ADDITIONAL FUNCTIONAL REQUIREMENTS: Components are requested to provide feedback on the desirability and feasibility of moving forward with the separate identification of multiple parties to receive credit in support of a LRO in a DLMS environment. **Staffing Note:** The DLMS Shipment Status does not currently have a placeholder for multiple Fund Codes. If party to receive credit for PC&H and party to receive credit for transportation are to be activated for future use, should we also insert placeholders for two additional corresponding fund codes?