



**DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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January 13, 2016

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Proposed Defense Logistics Management Standards (DLMS) Change (PDC) 1179, Automatic Disposal Procedures for Materiel Managed under Obsolete DLA Supply Center Routing Identifier Codes (RICs) (Supply)

We are forwarding the attached proposed change to DLM 4000.25, Defense Logistics Management Standards, and DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP) for evaluation and submission of a single coordinated DOD Component position. It is the responsibility of the Component Supply PRC representative to ensure full coordination of the proposal within your Component.

Request you review the attached proposed change and provide your comments/ concurrence to Defense Logistics Management Standards Office (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.

Addressees may direct questions to Mr. Rafael Gonzalez, email: Rafael.Gonzalez@dla.mil; or Ms. Ellen Hilert, email: ellen.hilert@dla.mil. Others may direct questions to their Service or Agency designated SDR PRC representative available at <https://www2.dla.mil/j-6/dlmsocertaccess/svcpointspoc/allpoc.asp>.

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment
As stated

cc:
ODASD (SCI)

Attachment to PDC 1179
Automatic Disposal Procedures for Materiel Managed under
Obsolete DLA Supply Center Routing Identifier Codes (RICs)

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

Technical POC: DLA Distribution, Joseph Rutkowski, DLA Distribution J4 Receiving
BPA, 717-770-6946 (DSN 771)

2. FUNCTIONAL AREA:

- a. **Primary/Secondary Functional Area:** Supply
- b. **Primary/Secondary Functional Process:** Receiving/Reclassification

3. REFERENCES:

- a. [Defense Logistics Manual \(DLM\) 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures \(MILSTRAP\)](#)
- b. [DLM 4000.25, Defense Logistics Management System, Volume 2, Supply Standards and Procedures Chapter 13](#)
- c. [DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures \(MILSTRAP\) Chapter 4](#)
- d. [DLM 4000.25-2, Military Standard Requisitioning and Issue Procedures \(MILSTRIP\) Chapter 11](#)
- e. [ADC 1022](#), Procedures for Processing Depot Returns (Including Receipt, Supply Discrepancy Report (SDR) and Revisions to Time Standard for reclassification of Supply Condition Code J and K assets), dated October 19, 2012
- f. [ADC 1022A](#), Procedures for Processing Depot Returns - Revised Exclusions from Automatic Disposal Procedures, dated September 04, 2014

4. REQUESTED CHANGE(S):

- a. **Brief Overview of Change:** Revise procedures to support DLA Distribution Center processing and include automatic disposal of materiel returned under obsolete DLA Routing Identifier Code (RIC)s (S9_).

b. Background:

(1) In conjunction with the DLA modernization under a consolidated enterprise resource system, logistic reassignments were performed in the Federal Logistics Information Service (FLIS) to move active NIINs managed by legacy DLA Supply Chains under S9_ RICs into the single manager RIC SMS. Inactive materiel was never migrated to RIC SMS. As a result, on February 2, 2008, DLA authorized the disposal of all undocumented materiel identified as DLA managed in Federal Logistics Information System (FLIS) and having a RIC beginning with S9.

(2) However, DOD Components continue to ship inactive on-hand materiel to DLA Distribution without proper authorization and also fail to provide a valid prepositioned materiel receipt (PMR) to DLA Distribution sites. The induction of unauthorized returns under S9_ RICs into the Distribution Standard System (DSS) results in an iDOC transaction failure in Enterprise Business System (EBS) for the associated receipt transaction that can only be resolved through manual intervention and research. Since these RICs are not authorized to hold inventory, there is no Material Master Record in EBS to enable the system to create a disposal order. As a result, DLA is forced to manually create a disposal action via DSS. Once the disposal action is created, it remains in the disposal workload bank until dropped/worked by the distribution center.

(3) Current procedures also result in SDRs that cannot be systemically processed by EBS and must be converted for email transmission to DLA. These SDRs must be manually processed offline or the SDR action will remain open in DSS and the WebSDR database.

(4) This DLMS change modifies the procedures originally approved under ADC 1022 (Reference 3.d) and ADC 1022A (Reference 3.e). These changes revise procedures to support DLA Distribution Center processing and automatic disposal of materiel returned under obsolete DLA RICs (S9_).

c. Requested Change in Detail:

(1) Revise procedures to support DLA distribution center processing and automatic disposal of materiel returned under obsolete DLA RICs (S9_). DLA Distribution will establish screening criteria for use during distribution center receipt processing to allow automatic disposal of all materiel regardless of the condition of the item received by DLA Distribution against any of the following RICs: S9C, S9E, S9G, S9I, and S9T.

Staffing Note: DLMSO is concerned with the reclassification of all materiel received under S9_ RIC to SCC H Unserviceable (Condemned) for automatic disposal, even though most of the materiel can be considered SCC A (Serviceable/Issuable without qualification). DLA Distribution and Disposition Services will need to establish procedures to ensure that if, in fact, the materiel received by DLA Disposition Services is serviceable and eligible for reutilization, proper action must be taken to avoid waste of usable materiel.

(2) The distribution center will systemically process materiel received under these conditions for disposal using Management Code J¹, M² or T³ (Materiel condemned upon receipt). Materiel will be subject to the existing MILSTRAP exemption criteria, including selected controlled inventory item codes, demilitarization codes, and radioactive water type cargo codes (established under Reference 3.b and 3.c and shown in the enclosure). The distribution center will not generate an SDR as a result of this process. Before the receipt is complete, the user must ensure the item is cataloged under an S9_ RIC using FLIS to prevent inappropriate auto disposal of materiel. The validation can be performed systematically or by user query.

d. Revisions to DLM 4000.25 Manuals:

(1) Revise DLM 4000.25-2, MILSTRAP, Chapter 4 (reference C4.9.3), Receipt and Due-In, as shown in Enclosure 2.

(2) Revise DLM 4000.25, DLMS Volume 2 Chapter 13 (reference C13.2.8.2.10.1) Materiel Receipt, as shown in Enclosure 2.

5. REASON FOR CHANGE: When DLA Distribution Centers process receipts for unauthorized returns under the obsolete RICs S9_, the materiel is not visible in EBS, resulting in manual efforts to remediate. This change will allow the automatic disposal of materiel under obsolete S9_ RIC eliminating manual effort and the need for storage.

6. ADVANTAGES AND DISADVANTAGES:

a. Advantages: Updates to MILSTRAP and DLMS will allow proper disposal of items under obsolete RICs increasing available warehouse square footage and eliminating the need of a manual process. In addition, a systematic solution will allow DLA Distribution to be in compliance with Audit Readiness.

b. Disadvantages: There are no known disadvantages.

7. ADDITIONAL COMMENTS TO CONSIDER: Services must enforce the use of the MILSTRIP Materiel Returns Program (MRP) rather than returning materiel to DLA without authorization. Under the MILSBILLS procedures, Services may be charged for the disposal cost. However, there would be cost avoidance for the Services for the return shipment if the Service followed the required MILSTRIP MRP procedures.

8. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: The implementation goal is to fully implement within 12 months after the approval of this change.

¹ Management Code J- Materiel condemned (Excludes Shelf-Life). Quantity indicated destroyed. Certificate of destruction on file (This is an intra-DLA Management Code).

² Management Code M - Materiel condemned. Quantity indicated shipped direct to the DLA Disposition Services Field Office or other authorized/required disposal action has been taken (Excludes items for which shelf-life has expired and cannot/will not be extended).

³ Management Code T - Materiel condemned. Shelf-life has expired and cannot/will not be extended. Quantity indicated shipped direct to DLA Disposition Services Field Office or other authorized/ required disposal action has been taken.

9. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: On average, the Distribution Chain processes 400 receipts a month for obsolete DLA Owner RICs. This change will eliminate the storage, manual disposal, and process of 400 receipts. Cost avoidance is based on past staffing:

Disposal Report Creation – GS12 1 hour/month

400 Receipts = 8 Receipts s/hr = 50 Man Hours = 1/3 FTE per month

400 Disposal Tickets Manually Created (GS12) = 67 hours/month = 2/5 FTE per month

400 Picks = 8 Picks/hr = 50 Man Hours = 1/3 FTE per month

Total cost avoidance = \$65,000 - \$100,000 annually

10. IMPACT:

- a. **New DLMS Data Elements:** There are no new DLMS data elements.
- b. **Changes to DLMS Data Elements:** There are no changes to existing DLMS data elements.
- c. **Automated Information Systems (AIS):** DLA should ensure that their systems support the revised auto disposal process as needed. There is no impact to any Service systems.
- d. **Transaction Services:** There are no changes to current transaction flows and mappings through Defense Automatic Addressing System (DAAS).
- e. **Non-DLM 4000.25 Series Publications:** DLA Distribution must update internal guidance to comply with procedures delineated in this DLMS change.

Enclosure

ENCLOSURE to PDC 1179

A. Revise DLM 4000.25-2, MILSTRAP, Chapter 4 as shown (changes are identified by ***bold, red italics*** or double strikethrough)

[Preceding text not shown]

C4.9.3.3.1. Condition of Materiel

C4.9.3.3.1.1. When inspection of inter-Service/Agency receipts reveals materiel to be SCC H and no PMR is recorded, storage activities will automatically ship discrepant materiel valued at less than \$500 per item direct to the property disposal activity except as specified in these procedures or take other automatic disposal actions based on criteria promulgated by the Services/Agencies. This includes Type I shelf-life materiel which has passed the expiration date regardless of value. When automatic disposal action is taken, cite SCC H and Management Code M (excludes shelf-life materiel) or Management Code T (expired shelf-life materiel), in lieu of the discrepant receipt management code, in the receipt transaction for the discrepant quantity.

C4.9.3.3.1.1.1. GSA Managed materiel and Non-Army Managed (NAMI) (Routing Identifier Code (RIC) AJ2) owned materiel will not be subject to the dollar value threshold for disposal eligibility, but will be subject to all other automatic disposal screening criteria.

C4.9.3.3.1.1.2. Materiel owned/managed under an obsolete DLA RIC (S9C, S9E, S9G, S9I and S9T) will be subject to automatic disposal under SCC H using Management Code M or T. The storage activity must use systemic or receiver verification to ensure that the FLIS identifies the materiel is managed under the S9_ RIC, to prevent inappropriate disposal. This materiel will be subject to the existing exemption criteria stated in C4.9.3.3.1. The storage activity will not generate an SDR as a result of this process.

C4.9.3.3.1.1.3. Automatic disposal does not apply to the following:

C4.9.3.3.1.1.3.1. Materiel that is identified as requiring DEMIL or containing radioactive, classified, or NWRM properties will not be subject to automatic disposal. This includes:

- DEMIL Codes: B, C, D, E, F, G, or P
- CIIC: A-H, K, L, O, Q, R, S, T, 5, 6, 8, 9
- Radioactive Water Type Cargo Codes: A and 4

C4.9.3.3.1.1. **3.2.** Materiel owned by U.S. Army Aviation and Missile Command (AMCOM) (RIC B17), will not be subject to automatic disposal.

C4.9.3.3.1.1. **3.3.** Unidentified materiel will not be subject to automatic disposal. Follow procedures in paragraph C4.9.3.1.

C4.9.3.3.1.1. 3.4. FMS materiel will not be subject to automatic disposal. Follow procedures in paragraph C4.9.3.1.

C4.9.3.3.1.1. **3.5.** Materiel owned by USAF will not be subject to automatic disposal except for non-AF managed material located at a DLA distribution center not co-located with a USAF depot maintenance site.

C4.9.3.3.1.1. **4.** Upon receipt, or subsequent storage activity determination, that materiel is in SCC H, where the above criteria prohibit automatic disposal, an SDR will be prepared clarifying why automatic disposal is not possible and requesting specific disposition instructions. Where applicable the SDR remarks will inform the action activity that the materiel cannot be shipped to the local DLA Disposition Services Field Office and must be sent to an approved DEMIL/destruction center via MILSTRIP DIC A5J generated by the owner/manager.

B. Revise DLMS, Volume 2, Chapter 13 as shown (changes are identified by *bold, red italics* or double strikethrough)

[Preceding text not shown]

C13.2.8.2.10.1. Condition of Materiel

C13.2.8.2.10.1.1. No ARI File Exists. When inspection of inter-DoD Component receipts reveals materiel to be SCC H and no ARI file exists, automatically ship discrepant materiel valued at less than \$500 per item direct to the DLA Disposition Services activity except as specified in these procedures, or take other automatic disposal action based on criteria issued by the DoD Components. This includes expired Type I shelf-life materiel which has passed the expiration date regardless of value. When taking automatic disposal action, cite SCC H and Management Code M or T in the Receipt Transaction, in addition to the discrepant receipt management code, for the discrepant quantity. To establish an audit trail when materiel is condemned upon receipt and shipped directly to DLA Disposition Services, cite the disposal turn-in transaction number in the Receipt Transaction in addition to the original transaction number.

C13.2.8.2.10.1.1.1. GSA Managed materiel and Non-Army Managed (NAMI) (Routing Identifier Code (RIC) AJ2) owned materiel will not be subject to the dollar value threshold for disposal eligibility, but will be subject to all other automatic disposal screening criteria.

C13.2.8.2.10.1.1.2. Materiel owned/managed under an obsolete DLA RIC (S9C, S9E, S9G, S9I and S9T) will be subject to automatic disposal under SCC H using Management Code M or T. The storage activity must use systemic or receiver verification to ensure that the FLIS identifies the materiel is managed under the S9_RIC, to prevent inappropriate disposal. This materiel will be subject to the existing exemption criteria stated in C4.9.3.3.1. The storage activity will not generate an SDR as a result of this process.

C13.2.8.2.10.1.1.3. Automatic disposal does not apply to the following:

C13.2.8.2.10.1.1.3.1. Materiel that is identified as requiring DEMIL or containing radioactive, classified, or NWRM properties will not be subject to automatic disposal. This includes:

- DEMIL Codes: B, C, D, E, F, G, or P
- CIIC: A-H, K, L, O, Q, R, S, T, 5, 6, 8, and 9
- Radioactive Water Type Cargo Codes: A and 4

C13.2.8.2.10.1.1.3.2. Materiel owned by U.S. Army Aviation and Missile Command (AMCOM) (RIC B17), will not be subject to automatic disposal.

C13.2.8.2.10.1.1.3.3. Unidentified materiel will not be subject to automatic disposal. Follow procedures in paragraph C13.2.8.2.9.1.

C13.2.8.2.10.1.1.3.4. FMS materiel will not be subject to automatic disposal. Follow procedures in paragraph C13.2.8.2.9.1.

C13.2.8.2.10.1.1.3.5. Materiel owned by USAF will not be subject to automatic disposal except for non-AF managed material located at a DLA distribution center not co-located with a USAF depot maintenance site.

C13.2.8.2.10.1.1.4. Upon receipt, or subsequent storage activity determination, that materiel is in SCC H, where the above criteria prohibit automatic disposal, an SDR will be prepared clarifying why automatic disposal is not possible and requesting specific disposition instructions. Where applicable the SDR remarks will inform the action activity that the materiel cannot be shipped to the local DLA Disposition Services Field Office and must be sent to an approved DEMIL/destruction center via MILSTRIP DIC A5J generated by the owner/manager.