



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

September 20, 2016

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

**SUBJECT:** Proposed Defense Logistics Management Standards (DLMS) Change (PDC) 1238, Revise DLMS 527R Materiel Receipt Acknowledge (MRA) and Disposition Services Turn-In Receipt Acknowledgement (TRA) Transactions to Allow Air Force Contractor Inventory Control Points (CICP) to Forward Transaction Images in Support of Air Force Government Furnished Materiel (GFM) Accountability (Supply)

We are forwarding the attached proposed change to DLM 4000.25, Defense Logistics Management Standards, 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 Ms. Mary Jane Johnson, Ms. Ellen Hilert, or Mr. Rafael Gonzalez, email: [DLMSOSupply@dla.mil](mailto:DLMSOSupply@dla.mil). Others must contact their designated Supply PRC representative available at <https://www.dlmsso.dla.mil/CertAccess/SvcPointsPOC/allpoc.asp>

**HEIDI M. DAVEREDE**  
Director  
Defense Logistics Management  
Standards Office

Attachment  
As stated

cc:  
ODASD (SCI)  
OUSD DPAP (PDI)

## Attachment to PDC 1238

### Revise DLMS 527R Materiel Receipt Acknowledge (MRA) and Disposition Services Turn-In Receipt Acknowledgement (TRA) Transactions to Allow Air Force Contractor Inventory Control Points (CICP) to Forward Transaction Images in Support of Air Force Government Furnished Materiel (GFM) Accountability

#### 1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. **Technical POC:** Mr. John “Jack” Dillon, HAF/A4PT; 937-904-0815; DSN: 674-0815; or email: [john.dillon.2.ctr@us.af.mil](mailto:john.dillon.2.ctr@us.af.mil)

b. **Functional POC:** Mr. Colquitt “Quitty” Lawrence, HAF/A4LR; 240-612-4220; DSN: 612-4220; or email: [colquitt.lawrence.civ@mail.mil](mailto:colquitt.lawrence.civ@mail.mil)

#### 2. FUNCTIONAL AREA:

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

b. **Primary/Secondary Functional Process:** GFM accountability

#### 3. REFERENCES:

a. [DODM 4140.01, Volume 5](#), DOD Supply Chain Materiel Management Procedures: Delivery of Materiel

b. [DoDI 5000.64](#), Accountability and Management of DOD Equipment and Other Accountable Property

c. [DLM 4000.25](#), Defense Logistics Management Standards (DLMS), Volume 2, Supply Standards and Procedures, Chapter 10

#### 4. REQUESTED CHANGE(S):

a. **Brief Overview of Change:** In order to establish Air Force GFM accountability, Air Force contractor inventory control points (CICPs) are now required to share inventory accounting transactions with the Air Force accountable property system of record (APSR). The APSR will maintain the Air Force accountable property record for all Air Force-owned contractor-managed and possessed materiel. This change updates the DLMS 527R Materiel Receipt Acknowledgement (MRA) and Disposition Services Turn-in Receipt Acknowledgement (TRA) to allow Air Force CICPs to transmit images of MRA and TRA transactions to update intransit balances on the Air Force APSR (Defense Property Accountability System (DPAS)).

**b. Background:**

(1) The term CICIP is used to represent a contractor assigned the primary responsibility for the materiel management of a group of items either for a particular Military Service or for the Department of Defense as a whole. In addition to integrated materiel manager (IMM)/inventory control point (ICP) functions, a CICIP may perform other logistics functions in support of a particular Military Service or for a particular end item (e.g., centralized computation of retail requirements levels and engineering tasks associated with weapon system components.)

(2) For the purpose of DLMS logistics procedures, the term CICIP is also used to identify Contractor Operated and Maintained Base Supply (COMBS) contractors whose support includes supply of aircraft, engine and support equipment components, materiel, and consumables as well as off-aircraft repair, overhaul and replenishment. COMBS contractors are responsible for having parts on hand to perform off-aircraft maintenance and for repairing the parts turned in. COMBS contractors perform both wholesale and retail functions.

(3) CICIPs, including COMBS contractors, are required to maintain and report accountability for Air Force owned contractor-managed and possessed materiel. However, Air Force GFM accountability is incomplete due to the Air Force inability to track end-to-end logistics and financial transactions, provide total asset visibility, and report materiel inventory values in an accurate and timely manner. DODM 4140.01 Volume 5 (Reference 3.a.), Enclosure 3, Subparagraph: 2.b.(4)(e), requires Service owning materiel managers to “Take applicable actions necessary to ensure that the physical on-hand quantity and the total item property record quantity are in agreement for all DoD materiel that is not in the physical custody of DoD storage activities. For example, owning materiel managers will ensure accuracy for property records where contractors are responsible for the physical custody of government-owned inventory located at contractor facilities or DoD storage activities.” The Air Force chartered the GFM-Accountability (GFM-A) capability initiative to provide property accountability/control of contractor-managed and possessed Air Force-owned materiel through implementation of standard and integrated Air Force logistics and contractor processes to address a material weakness in Air Force financial statements. This capability will establish and maintain accountable inventory records for GFM that accurately reflect current quantity, status, location, condition, and authorizing contract as well as establish an audit trail to update and track end-to-end logistics and financial transactions. Contractor-managed and possessed GFM is but one type of GFM and is the sole focus of this capability initiative. The above problem statement does not apply to the other types of GFM as the Air Force has materiel solutions in place for reporting logistics and financial data. Only Air Force-owned materiel will be reported in the Air Force APSR established under the GFM-A Capability Initiative. Air Force CICIPs often use commercially available inventory management systems (IMSs) to manage Air Force-owned materiel. The CICIPs record inventory impacting accounting transactions in these systems. The Air Force selected the DPAS as its APSR for contractor-managed and possessed Air Force-owned GFM. Air Force CICIPs using their own inventory management system will provide images of MRA/TRA transactions received by the CICIP to DPAS via Transaction Services. MRA/TRA transactions must be forwarded to DPAS to close out in-transit balances. In accordance with DoDI 5000.64 (Reference 3.b), “Organizations shall retain accountability for property they place in an in-transit status, until such time as the consignee formally acknowledges receipt and acceptance (including resolution of shipping and other discrepancies).” DPAS will be a mirror image of the CICIP’s IMS and, in order to maintain accuracy, certain data elements must be added or authorized within DLMS transactions.

**c. Requested Change in Detail:**

(1) Revise the DLMS 527R implementation convention (IC) to allow the AF CICIP to transmit an image to the DPAS of all MRA and TRA transactions received by the CICIP in response to CICIP issues from Air Force-owned stock. The following IC changes are identified:

(a) In 1/BR06/20, add a new use for existing Action Code FI – File for Air Force CICIP to provide an image of an MRA or TRA to DPAS to update the inventory intransit balance on the APSR.

(b) In 1/N101/070, add an additional note to existing N101 Code Z4 – Owing Inventory Control Point for Air Force GFM accountability to identify the Air Force CICIP forwarding a MRA or TRA image transaction to DPAS.

(c) In 2/N101/210, add a new Note 6 to existing Code ZD – Party to Receive Reports, for Air Force GFM accountability to identify the DoDAAC representing the Air Force program manager. The Party to Receive Reports is used in conjunction with N106 Code PK when providing an image of the MRA or TRA transaction to DPAS to update inventory intransit record associated with the CICIP DoDAAC in the APSR.

(2) The Air Force will ensure each CICIP is assigned to a program manager identified by a unique DoDAAC in DPAS. The communications routing identifier (COMMRI) associated with the program manager DoDAAC in the DoD Activity Address Directory (DoDAAD) will allow Transaction Services to direct the transaction to DPAS.

**d. Revisions to DLM 4000.25 Manuals:** Revise DLMS 527R MRA and TRA transactions, as shown in Enclosure 1.

**e. Proposed Transaction Flow:** See Enclosure 2 for the transaction flow diagram and narrative. Air Force CICIP ships materiel to customer/DLA Disposition Services and creates an in-transit balance in their inventory management system. The CICIP notifies the Air Force's GFM-A APSR (DPAS) of shipments and creates in-transit status within the APSR. The customer/DLA Disposition Services receives assets, processes a receipt transaction, and sends a DLMS 527R MRA or TRA, as applicable, to the Air Force CICIP. The Air Force CICIP updates its IMS to reflect the receipt acknowledgement per the 527R MRA or TRA, which closes the in-transit previously created by the shipment. The Air Force CICIP sends an image of the DLMS 527R MRA or TRA transaction to Transaction Services, which routes the transaction to the Air Force's APSR (DPAS) based on use of beginning segment (BR) Action Code FI, to identify an image of the MRA or TRA, in conjunction with using 2/N101/210 Code ZD with 2/N106/210 Code PK. The APSR (DPAS) receives DLMS 527R MRA or TRA image and closes the in-transit record. The APSR (DPAS) generates a trial balance for the asset valuation and provides this information to Air Force financial management system for inclusion in financial statements.

**f. Alternatives:** Transaction Services maintains a mapping of routing identifier codes (RICs) to transaction types and routes the 527R MRA and TRA to both Air Force CICIP IMSs and DPAS. This requires frequent communications between the Air Force and Transaction Services, to manually update a routing logic table/business rules, to ensure all transactions are

appropriately routed. This alternative adds more workload for the Air Force and Transaction Services, and increases the likelihood of data entry errors due to human intervention.

**5. REASON FOR CHANGE:** Supports Air Force GFM-A capability initiative addressing a material weakness on the Air Force financial statements and supports Financial Improvement and Audit Readiness (FIAR). Allows Air Force CICPs to communicate to the Air Force's APSR that they received a 527R MRA or TRA to close an in-transit record.

**6. ADVANTAGES AND DISADVANTAGES:**

**a. Advantages:** Allows the Air Force to automatically close an in-transit suspense for contractor-managed and possessed Air Force-owned materiel in DPAS. This change addresses a material weakness in Air Force financial statements and supports FIAR.

**b. Disadvantages:** Requires system modifications to accommodate and perpetuate the Air Force CICP related data on the identified transactions.

**7. ADDITIONAL COMMENTS TO CONSIDER:** Air Force GFM-A capability initiative relies on DLMS transactions from the Air Force CICPs to accurately record asset quantities and valuation. Without the ability to close an in-transit suspense through a DLMS transaction to DPAS, the Air Force will need a manual workaround to close the in-transit suspense, which increases the risk of misreporting the Air Force contractor-managed and possessed Air Force-owned assets on its financial statements.

**8. ESTIMATED TIME LINE/IMPLEMENTATION TARGET:** Proposed implementation date is October 2016.

**9. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE:** Air Force is unable to provide an estimate at this time and does not have adequate data to calculate cost of manual workaround.

**10. IMPACT:**

**a. New DLMS Data Elements:**

**Contractor Inventory Control Point (ID, Min 6, Max 6).** An organization contracted to take on primary responsibility for the materiel management of a group of items either for a particular Service or for the Defense Department as a whole. For the purposes of the DLMS logistics procedures, Air Force CICPs include Contractor Operated and Maintained Base Supply (COMBS) contractors whose support includes supply of aircraft, engine and support equipment components, materiel, and consumables as well as off-aircraft repair, overhaul and replenishment.

DLMSO will update the Logistics Data Resources Management System (LOGDRMS) to add Contractor Inventory Control Point. LOGDRMS includes the definitions of the various roles identified in the N1-Name segment of the DLMS ICs.

**b. Changes to DLMS Data Elements:** No changes to existing DLMS data elements.

c. **Automated Information Systems (AIS)**: These proposed changes are applicable to DPAS and Air Force CICP systems.

d. **Transaction Services**:

(1) Mapping updates are required as identified in Enclosure 1.

(2) Defense Automatic Addressing System (DAAS)/Logistics Metrics Analysis Reporting System (LMARS) must preclude use of this MRA or TRA transaction image based on beginning segment BR06 Action Code FI, and must not interpret the transaction image as a live MRA. There is no requirement to display the transaction image in the Web Visual Logistics Information Processing System (WebVLIPS).

(3) The MRA and TRA image transaction should appear in Logistics Data Gateway (LDG), but should not populate WebVLIPS (via Logistics On-Line Tracking System (LOTS)). Inclusion in LDG will provide a record of what was sent to the Air Force APSR should there ever be a need for research. Note: Transaction Services can display the MRA in LDG, but the TRA will not show up until LDG becomes fully DLMS compliant. Currently Transaction Services will only show MILS transactions in LDG (along with extended data/user defined file (UDF) data), but the TRA transaction is not converted to MILS or UDF. Inclusion of the TRA in LDG is a future enhancement pending modernization of LDG to support DLMS transactions.

e. **Non-DLM 4000.25 Series Publications**: Air Force should take action necessary to update procedures documenting the applicable requirements contained herein as needed for Air Force and for the DPAS.

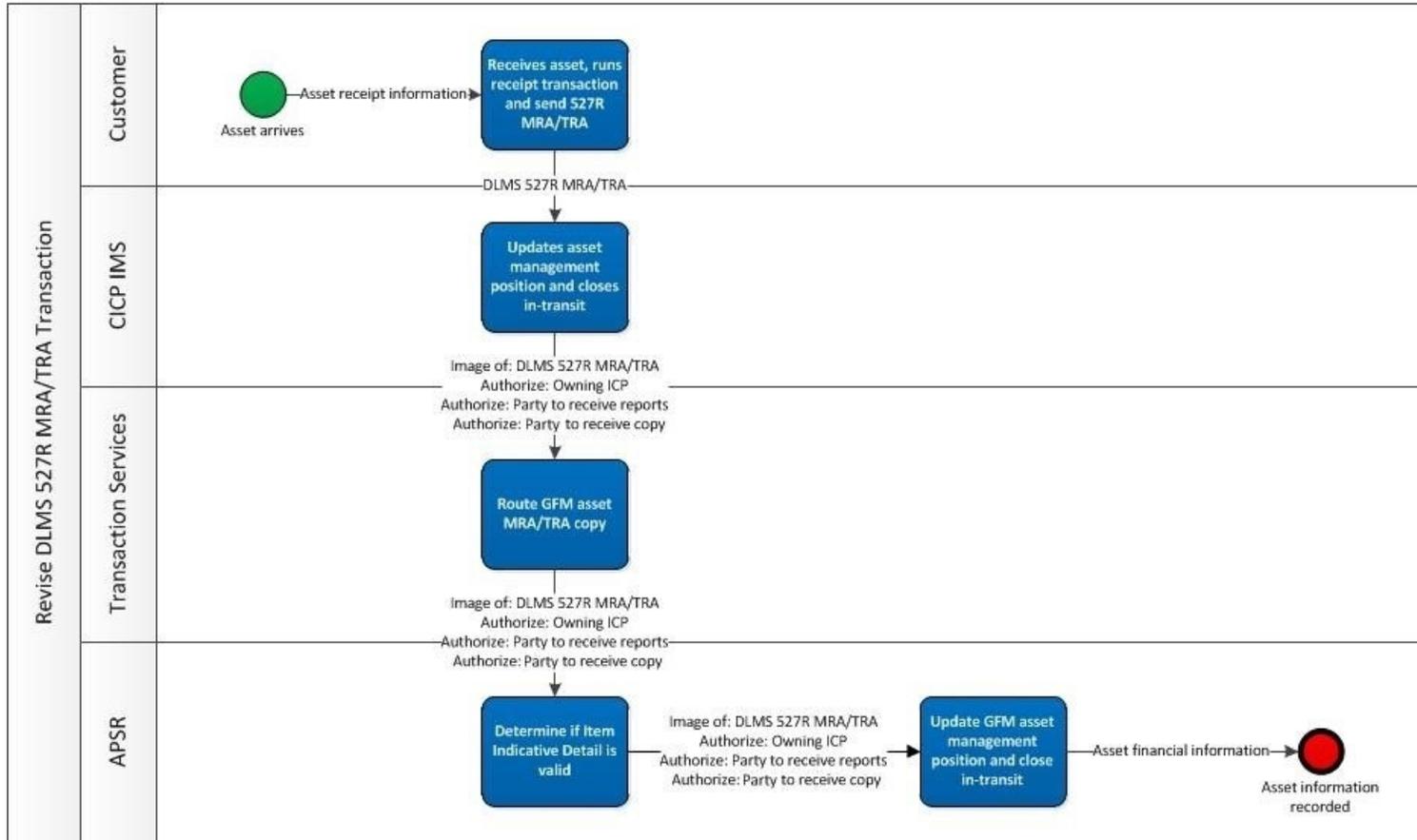
## Enclosure 1 to PDC 1238

#	Location	Revisions to DLMS 527R MRA and TRA	Reason
1.	DLMS Introductory Notes	<p><u>Add PDC 1238 to DLMS Introductory Note:</u></p> <p><b><i>- PDC 1238, Revise DLMS 527R Materiel Receipt Acknowledge (MRA) and Disposition Services Turn-In Receipt Acknowledgement (TRA) Transactions to Allow Air Force Contractor Inventory Control Points (CICPs) to Forward Transaction Images in support of Air Force Government Furnished Materiel (GFM) Accountability</i></b></p>	Identifies DLMS Changes included in the IC
2.	1/BR06/020	<p><u>Revise DLMS Note for existing Code FI:</u></p> <p><b>FI File</b>  <b>DLMS Note:</b></p> <p><b>1. Authorized for Air Force and DSS use with PIC Nuclear Weapons-Related Material (NWRM) unique Item Tracking (UIT). Use with BR02 Code D4 to identify a receipt image transaction where the original receipt transaction has bypassed the normal DAAS transaction flow. All transaction set recipients must use extreme caution to ensure individual transactions with this code do not process as action documents which affect accountable records. Must use with 2/N101/210 code 'KK' and 2/N106/210 code 'PK'. There will be no 2/N106/210 code 'TO' for this transaction. Refer to ADC 347.</b></p> <p><b>2. Authorized for Air Force contractor inventory control point (CICP) use to provide an image of the MRA or TRA to the Air Force accountable property system record (APSR) to update the inventory intransit balance. Refer to PDC 1238.</b></p>	Specifies new use for image transaction functionality.
3.	1/N101/070	<p><u>Add new DLMS Note to existing Code Z4:</u></p> <p><b>Z4 Owing Inventory Control Point</b>  <b>DLMS Note:</b></p> <p><b>1. Use to identify the supply source.</b></p> <p><b>2. Use for Air Force GFM accountability to identify the Air Force CICP forwarding an MRA or TRA image transaction (identified by BR06 Code FI) to APSR. Refer to PDC 1238.</b></p>	Specifies new use of code to identify the contractor ICP.

#	Location	Revisions to DLMS 527R MRA and TRA	Reason
4.	2/N101/210	<p><u>Add new DLMS Note 6 for existing Code ZD</u></p> <p><b>ZD Party to Receive Reports</b></p> <p><b>DLMS Note:</b></p> <p>1. Use in MRA transactions to cite additional organizations requiring MRA.</p> <p>2. Use in Navy Commercial Asset Visibility (CAV) receipts to identify the party to receive report. CAV expresses party to receive report as a DoDAAC (N903 code 10). CAV use is an authorized DLMS migration enhancement. See DLMS introductory note 5g.</p> <p>3. Used between Navy and DLA for Navy MRAs submitted directly to other Component <i>Source of Supply</i> (<del>SoS</del>), so DLA will be able to support follow-on actions on behalf of the Navy under a DLA industrial activity support agreement. Refer to ADC 377.</p> <p>4. Use in receipt transactions to identify additional organizations requiring notification of receipt when the receipt is related to a PQDR exhibit.</p> <p>5. Disposition Services Field Office uses with disposition services turn-in receipt acknowledgement (TRA) transaction to identify the DoDAAC of the recipient of TRA transaction. This will be the DoDAAC of the activity identified in the disposal turn-in document (DTID) number. Refer to ADC 1111.</p> <p><i>6. Use for Air Force GFM accountability to identify the DoDAAC representing the program manager on the accountable property system of record (APSR) when a copy of this transaction must be reported to a separately maintained property system. Use in conjunction with N106 Code PK to provide an image of the MRA or TRA transaction (image is identified by 1/BR06/020 Action Code FI) to update inventory intransit record in the APSR associated with the contractor inventory control point (CICP) DoDAAC (identified in 1/N101/070 Code Z4). Refer to PDC 1238.</i></p>	<p>Specifies new use of existing code identifying additional organizations requiring the specified transaction.</p> <p>For the DPAS DoDAAC, Air Force will use the DoDAAC they will have for each program manager's program. Air Force will associate that DoDAAC to an Air Force ICP within DPAS, and add the DoDAAC to the DPAS COMMRI. The CICP will send the MRA or TRA transaction to DPAS via Transaction Services, and then DPAS will associate the transaction to the correct ICP within DPAS. DPAS will have 1 DoDAAC for each Air Force Program Manager project in order to report the data within the system; not 1 DoDAAC for DPAS.</p>

#	Location	Revisions to DLMS 527R MRA and TRA	Reason
5.	2/N106/210	<p><u>Add new DLMS Note 4 (and renumber existing Note 4) for existing Code PK:</u></p> <p><b>PK Party to Receive Copy</b></p> <p><b>DLMS Note:</b></p> <p>1. Use when appropriate to send an information copy of the transaction to a Component UIT registry. For use with N101 code KK.</p> <p>2. Authorized DLMS enhancement for Air Force and DSS use with PIC NWRM UIT. For PIC UIT, must use in conjunction with 2/N101 code KK and 1/BR06/20 Action Code FI and cite the applicable Routing Identifier in 2/N103.</p> <p>3. Use to provide a copy of the receipt to Product Data Reporting and Evaluation Program-Automated Information System (PDREP-AIS) for PQDR exhibit tracking when the PQDR Report Control Number (RCN) is included. For use with N101 code ZD and DoDAAC N45112. Refer to ADC 1007.</p> <p>4. <i>For Air Force GFM accountability, use with N101 Code ZD to provide an image of an MRA or TRA to APSR. Do not use N101 Code TO with Air Force CICP MRA and TRA transactions to APSR.</i></p> <p>5. Except as noted above, DLMS enhancement; see introductory DLMS note 5a.</p>	Specifies new use of existing code identifying the transmission of a transaction copy.

## Enclosure 2 GFM-A Receipt Transaction Flow Diagram



## Enclosure 2 Narrative

	Activity	Description
1	Receives asset, processes receipt transaction and send 527R MRA/TRA	Customer/DLA Disposition Services receives assets, processes receipt transaction, and sends DLMS 527R Materiel Receipt Acknowledgement (MRA) or Turn-in Receipt Acknowledgement (TRA) to the Air Force CICP.
2	Updates asset management position and closes in-transit balance	Air Force CICP updates its inventory management system to reflect the DLMS 527R MRA/TRA which closes the in-transit balance previously created by the shipment. Air Force CICP sends an image of the DLMS 527R MRA/TRA transaction to Transaction Services, which routes the transaction to Air Force APSR (DPAS).
3	Route GFM Asset MRA/TRA image	Transaction Services receives image of DLMS 527R MRA/TRA and routes it to Air Force APSR (DPAS).
4	Determine if Item Indicative Detail is Valid	Air Force APSR receives item indicative (catalog) detail from the DLMS 527R MRA/TRA and determines if item record is currently loaded in the system. If it is, the transaction is processed. If not, the APSR generates a DLMS 824R Reject transaction routed to the CICP via Transaction Services. The Air Force program manager is notified via the daily task list within the Air Force APSR to determine if item is approved for the CICP. If item is approved, the program manager ensures the item record is loaded and MRA/TRA is processed.
5	Update GFM asset management position and close in-transit balance	Air Force GFM-A APSR receives image of DLMS 527R MRA/TRA and closes the in-transit balance. Air Force APSR sends asset valuation to Air Force financial management system for inclusion in financial statements.