IN REPLY
REFER TO DLMSO

June 22, 2006

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 201, Revisions to DLMS Supplement 867I to Support Requirements for the Army Medical Material Agreement Issue Transactions (Staffed by PDC 216) (Supply)

The attached change to DOD 4000.25-M, DLMS, is approved for immediate implementation. This change is required for a Defense Logistics Agency (DLA) Business System Modernization (BSM) release to support Defense Medical Logistics Standard Support (DMLSS). The updated DLMS Supplement will be posted to the Defense Logistics Management Standards Office (DLMSO) Web site http://www.dla.mil/j-6/dlmso/elibrary/TransFormats/x12.asp within 10 days from the above date for implementation planning.

Addressees may direct questions to the DLMSO point of contact Ms. Mary Jane Johnson, e-mail: Mary.Jane.Johnson@dla.mil. Others must contact their Component designated Supply Process Review Committee representative.

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:
DUSD(L&MR)SCI
Joint Physical Inventory Working Group

ATTACHMENT TO ADC 201
Revisions to DLMS Supplement 867I to Support Requirements for the Army Medical Material Agreement Issue Transactions (Staffed by PDC 216) (Supply)

1. ORIGINATOR:

a.   **Service/Agency:** Defense Logistics Agency

b.   **Originator:** DLA Order Fulfillment Lead, Cindy McGee

2. FUNCTIONAL AREA: Primary: Supply/Logistics

3. REFERENCES:

a. Army Medical Material Agreement (**AMMA**) Functional Requirements Document

b. DLMSO memorandum, April 21, 2006, subject: Proposed Defense Logistics Management System (DLMS) Change (PDC) 216, Revisions to DLMS Supplement 867I to Support Requirements for the Army Medical Material Agreement Issue Transactions (Supply)

c. DLMSO memorandum, May 23, 2006, subject: Defense Logistics Management Systems (DLMS) Supply Process Review Committee (SPRC) Meeting 06-01, April 25-27, 2006

4. REQUESTED CHANGE:

a.   **Title:** Revisions to DLMS Supplement 867I to Support Requirements for the Army Medical Material Agreement Issue Transactions (Supply)

b.   **Description of Change:**

(1) This change is to allow a price to be included in AMMA issues of material. The price will allow the sale and resulting customer bill in Defense Logistics Agency's (DLA) Business System Modernization (BSM) to be priced appropriately. This change also provides for use of a local catalog identification as issues from AMMA sites may be for a local catalog number and not a NSN. The Local Catalog Identification can reference multiple prime vendor part numbers for a specific site.

(2) DLSMO confirmed with the DLA SPRC representative that 12 positions is used for the latest acquisition cost. This value consists of a maximum 9 digits for dollars, and a maximum of 2 digits for cents (but less could be passed (e.g, $12.50 would be passed as 12.5 and $12.00 would be passed as 12)). Accordingly, DS 867I will accommodate up to 9 digits for dollars and 2 digits for cents for latest acquisition cost. Under the DLMS 867I AMT segment, this would be expressed as R9.2. R is the data element type indicating a decimal numeric data element. The decimal point is passed within the transaction; leading and trailing zeros are not transmitted. The DLMS note for DS 867I latest acquisition cost has been updated by this ADC to reflect that it will be expressed as R9.2.

c.   Background:

(1) The Tailored Vendor Relationships (TVR) process was implemented in BSM R2.2. TVRs are those business processes where there is a direct relationship between the customer and the vendor. That is, customers place orders directly with the Prime Vendor using various communication channels such as EDI, phone, fax, e-mail, or via the prime vendor's ordering system. BSM receives copies of transactions in order to maintain line item accountability.

(2) For BSM R2.2.1 a new process termed the Army Medical Material Agreement (AMMA – previously known as Medical Army Single Stock Fund (MASSF)) is being implemented in coordination with Defense Medical Logistics Standard Support (DMLSS) and Theater Enterprise-Wide Logistics System (TEWLS). The prime vendor model of the AMMA program is in many ways very similar to TVR, however, DLA funds are used by the Army to purchase items via DMLSS/TEWLS. In this case BSM owns the materiel at the AMMA sites until items are issued at the retail level. As a result, a DLMS 867I (for the functionality of MILSTRAP DI Code D7B) will be received by BSM from DMLSS/TEWLS and must contain a price in order to price the sale appropriately.

(3) AMMA and TVR were discussed at the SPRC meeting 06-1 (reference 3.c.) and the background was summarized in the minutes as follows: In DLA's legacy system, AMMA was known as Medical Army Single Stock Fund. The new agreement between DLA and Army renamed the program, and to support this supply technique in DLA's ERP (BSM), some reengineering of the process has taken place which requires additional data to be passed in the associated DLMS transactions. Under the AMMA concept, DLA owns the medical materiel all the way down to the retail or hospital shelf level until it is issued to a consumer. When it is issued to a consumer, then a post-post issue transaction is sent to DLA, inventories are debited, and the customer is billed. To replenish DLA-owned "retail" materiel from DLA supply sources, Army employs DMLSS/Theater Enterprise-Wide Logistics System (TEWLS). There are multiple ordering chains used to obtain materiel depending on how DLA manages the item. These range from traditional MILSTRIP stock and DVD orders for medical NSN items to TVR direct procurements for part number items. However, the predominance of support is via the TVR arrangements. TVRs are business processes where there is a direct relationship between the customer and the vendor (e.g**.,** customers place orders directly with the Prime Vendor or with an Electronic Catalog (ECAT) Vendor). BSM receives copies of the transaction between the customer and the vendor in order to maintain line item accountability. Under the AMMA process, when the hospital receives the materiel they send a receipt transaction back to BSM so the assets are posted on DLA's records as the owner, however, DMLSS/TEWLS maintains the accountable record.

d.   DLA RECOMMENDED:

(1) Add price to DLMS 867I

BSM needs the total cost of the item for billing of customers. The items being issued are non-standard numbers (local catalog numbers) and DLA will not bill at the standard unit cost but at the latest acquisition cost for that specific purchase. This cost may vary per purchase based on the contact price at the time the customer places the order with the vendor. This data can only be derived from the DMLSS/TEWLS systems and therefore it must be passed to BSM on the customer issue transaction (D7B). The AMT segment could be opened for this purpose.

(2) Add local catalog ID qualifier

Issues from AMMA sites may be for a local catalog number and not a NSN. An appropriate identification qualifier could be added to REF01 to handle this situation. "Locally Assigned Control Number" is being added for this purpose in DLMS 527R, 867I, and 947I. DMLSS local catalog numbers can exceed the max of 30 for DS 867I REF02. Accordingly DLA requests that REF03 be used for the local catalog identification.

e. PROCEDURES. Revise DOD 4000.25-M, DLMS, as follows (changes are identified by *red, bold, italicized* text):

(1) Revise DOD 4000.25-M, DLMS, ACRONYMS AND ABBREVIATIONS, to add the following new acronyms.

ACRONYM	DEFINITION
AMMA	*Army Medical Material Agreement*
DMLSS	*Defense Medical Logistics Standard Support*
TEWLS	*Theater Enterprise-Wide Logistics System*
TVR	*Tailored Vendor Relationships*

(2) Revise DOD 4000.25-M, DLMS, Volume 2, Chapter 14 to add a new paragraph:

C14.2.4. Issue of material from an Army Medical Material Agreement (AMMA) site shall include the latest acquisition cost. The items may be issued using local catalog identification numbers.

(3) Revise DS 867I as shown in the table below:

Item #	Location	DS 867I Issue Revision	Reason	Federal IC Impact
1.	DLMS Introductory Notes	<u>Added ADC 201</u> - ADC 201, Revisions to DS 867I to Support Requirements for Army Medical Material Agreement.	Identifies DLMS Changes included in the DLMS Supplement	No revision required
2.	2/REF01/30	<u>Add new qualifier 'WF' with DLMS note:</u> **WF Locally Assigned Control Number** DLMS note: 1. Defense Medical Logistics Standard Support (DMLSS)/Theater Enterprise-Wide Logistics System (TEWLS) use to cite their Local Catalog Identification which can reference multiple prime vendor part numbers for a specific site. Always cite the Local Catalog Identification value in REF03. 2. DLMS enhancement. See introductory DLMS note 5.a.	To accommodate requirement for Local Catalog Identification	No revision required

Item #	Location	DS 867I Issue Revision	Reason	Federal IC Impact
3.	2/REF03/30	Add new DLMS notes 1, 3 and 4, and renumber existing note as 2: **DLMS Notes:** ***1. Use only with REF01 codes CU and WF.*** *2. Use with REF01 code CU to identify issue category information.* ***3. DMLSS/TEWLS use with REF01 code WF to identify the Local Catalog Identification.*** ***4. DLMS enhancement. See introductory DLMS note 5.a.***	To accommodate DMLSS/TEWLS requirement for Local Catalog Identification	No revision required
4.	2/AMT/140	Open AMT segment DLMS note: 1. Use only for Army Medical Material Agreement (AMMA) issues of material. 2. DLMS enhancement. See introductory DLMS note 5.a.	To accommodate AMMA requirement for cost information	Revision required
5.	2/AMT01/140	Add Federal note: Use any code. Add qualifier 'JJ' with DLMS notes. **JJ Cost Basis** DLMS Note: 1. Use only for AMMA issues of material to identify the latest acquisition cost of the material. 2. DLMS enhancement. See introductory DLMS note 5.a. Under DLMS the latest acquisition cost will be expressed as R9.2.	To accommodate AMMA requirement for cost information	Revision required
6.	2/AMT02/140	Open AMT02 Monetary Amount.	To accommodate AMMA requirement for cost information	Revision required

    f.   DAASC Mapping: Update DAASC mapping to allow DS 867I transactions containing the new data to pass edits.

    g.   Alternatives: BSM would not be able to support the AMMA processes using DS 867I without this change and would need to consider non-standard options.

    5.   REASON FOR CHANGE: BSM requires the latest acquisition cost and local catalog identification in DS 867I in order to process AMMA issue transactions. This is DLMS enhanced data not conveyed by MILSTRAP Issue (DI Code D7_) transactions.

6.   ADVANTAGES AND DISADVANTAGES:

   a.   Advantages: BSM and DMLSS/TEWLS will be able to comply with DLMS standards for the AMMA issue processes.

   b.   Disadvantages: N/A.