IN REPLY
REFER TO

December 04, 2012

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Proposed Defense Logistics Management System (DLMS) Change (PDC) 1049, New Supply Status Code for Backorders Awaiting Engineering Support Activity (ESA) Support and First Article Testing (FAT) (MILSTRIP/Supply/Logistics)

We are forwarding the attached proposed change to DLM 4000.25 (DLMS), 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 DLA Logistics Management Standards Office 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. Ellen Hilert, DOD MILSTRIP Administrator, 703-767-0676 or DSN 427-0676, e-mail: ellen.hilert@dla.mil, or 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 PRC representative.

DONALD C. PIPP
Director
DLA Logistics Management
Standards Office

Attachment
As stated

cc:
ODASD(SCI)

Attachment to PDC 1049
New Supply Status Code for Backorders Awaiting
Engineering Support Activity (ESA) Support and First Article Testing (FAT)

1. **ORIGINATOR:** Defense Logistics Agency (DLA) J-331, 703-767-7297 (DSN 427)

2. **FUNCTIONAL AREA:** Primary: Supply/ Logistics, Requisition Processing

3. **REFERENCES:**

> **a.** DLM 4000.25, Defense Logistics Management System (DLMS), Volume 2. DLMS

> **b.** DLM 4000.25-1, Military Standard Requisitioning and Issue Procedures (MILSTRIP)

4. **REQUESTED CHANGE:**

> **a. Brief Overview:**   This change establishes three new supply status codes. The first new status code will be used to inform the requisitioner that their order has been placed in a backorder status while the Integrated Materiel Manager (IMM) seeks further information from an ESA to obtain the materiel in question. A second status code will be used to inform the requisitioner that their order is about to be cancelled due to non-response by the ESA. The third new status code will be used to notify the customer of a delayed shipment while the requisitioned item is undergoing FAT.

> **b. Background:**

>> **(1)** Currently, DLA and other IMMs provide a basic backorder status code, such as BB (item is back ordered against a due-in to stock) or BZ (requisition is being processed for direct delivery procurement), to the customer when there is no known manufacturer for the part being requisitioned. While technically accurate, the customer does not know that the IMM has reached out to the ESA to find a source for this part (a process that can add a significant number of days to the duration of the backorder).

>> **(2)** The ESA is the military activity designated to provide the engineering support to DLA or GSA when engineering/technical assistance including the development of technical data and engineering criteria, engineering representation, guidance, and decisions are required for procurement of a required item.

>> **(3)** FAT and subsequent approval ensures that the contractor can furnish a product that conforms to all contract requirements for acceptance. Before requiring testing and approval, the contracting officer considers the impact on cost or time of delivery; risk to the Government of foregoing such test; and the availability of other, less costly, methods of ensuring the desired

quality. Testing and approval may be appropriate when the contractor has not previously furnished the product to the Government; the contractor previously furnished the product to the Government, but there have been changes in processes or specifications; production has been discontinued for an extended period of time; or the product acquired under a previous contract developed a problem during its life; the product is described by a performance specification; or it is essential to have an approved first article to serve as a manufacturing standard.

    c. Detailed Procedures:

        (1) Use of a Supply Status Based on Need for ESA Support:

            (a) Upon receipt of an order where the IMM has no stock and no long-term contract in place to support that item, the IMM will furnish BB or BZ status as appropriate while efforts are underway to fulfill the order, according to current procedures.

            (b) When the IMM determines that it has no source for procuring the item in question, and after the IMM refers the item to an ESA for support on identifying a manufacturer/ substitute item/etc., a new Status Code PW will be provided to the requisitioner to inform them of the most recent action. An ESA response due date will be provided in the field currently used to provide estimated shipment date to report how many days the IMM will wait for an ESA response to their inquiry. If this field is blank, the IMM will wait indefinitely.

            (c) If an answer is received from the ESA, appropriate action will be taken by the IMM to include (but not limited to): procuring the item from a newly identified source, rejecting the order and recommending ordering a different part/next higher assembly, rejecting the order as the part is being coded obsolete, or rejecting the order as non-procurable.

            (d) If an answer is not received from the ESA within the timeframe established by the IMM, a new Status Code PX will be provided to the requisitioner to inform them that the IMM has sent a final notice to the ESA and intends to reject the order as non-procurable in 15 days unless a response is received within that time, after which the order will be rejected as non-procurable. The ESA response due date will be updated to reflect the extended time allowed for response.

            (e) If no response is received from the ESA after the final notice time period has elapsed, the requisition is rejected under current procedures with Status Code CK (Rejected. Unable to procure. No interchangeable and substitute (I&S) item is available.).

        (2) Use of a Supply Status Based on First Article Testing (FAT) Requirement:

            (a) Upon receipt of an order where the IMM has awarded a contract to support requisitions for that item via Direct Vendor Delivery and the vendor must go through FAT before shipping to the customer, the customer will be informed that FAT is underway and is the reason for a delay in shipment with new status code PF.

            (b) The customer may contact the IMM to obtain further information on

the status of the FAT, including any projected completion date.

(c) When the FAT is successful, status will be flipped to BV. In the event that the vendor cannot pass FAT, the order will revert to BZ status while another source is located.

(3) Revisions to DLM 4000.25 Manuals:

(a) Revise MILSTRIP Appendix 2.16, Status Codes, to include new supply status codes and definitions as shown.

<u>Code</u>	<u>Explanation</u>
PF	*Delayed shipment; item undergoing First Article Testing with the vendor. If successful, vendor will be approved and will be able to go into production and ship based on production time of material. Failure to pass FAT will result in further delays. Contact the IMM for further information on estimated completion dates, etc.*
PW	*Item is backordered with no known source. Request has been sent to an Engineering Support Activity for further support on this item. When applicable, the Engineering Support Activity Response Due Date is provided (see rp 70-73 or DLMS DTM Segment Qualifier 268).*
PX	*Item is backordered with no known source. Final notice has been sent to Engineering Support Activity for response. If no response is received, the order will be rejected as non-procurable. The revised Engineering Support Activity Response Due Date is provided (see rp 70-73 or DLMS DTM Segment Qualifier 268).*

(b) Revise DLMS 870S Supply Status as shown.

#	Location	DLMS 870S Revision	Reason
1.	DLMS Intro Notes	<u>Add to DLMS introductory note 4</u>: - *PDC 1049, New Supply Status Code for Backorders Awaiting Engineering Support Activity (ESA) Support*	Identifies change associated with the transaction.
2.	2/DTM01/240	<u>Add new Qualifier 268 and associated DLMS note</u>: **268 End Date of Support** **DLMS Note:** *1. Use to identify the Engineering Support Activity Response Due Date.* *2. Use in conjunction with Supply Status PW to indicate the date established by the IMM waiting for a response from the Engineering Support Activity.* *3. Use in conjunction with Supply Status PX to indicate the revised date after the IMM has given final notice to a*	Clarification of usage.

| | | *nonresponsive Engineering Support Activity.*
4. Authorized DLMS enhancement; refer to PDC 1049. | |

    d. Alternative: Retain current procedures.

5. REASON FOR CHANGE: Provides the customer with additional information regarding the status of their requisition.

6. ADVANTAGES AND DISADVANTAGES:

    a. Advantages: Requisitioner will have more accurate information regarding the status of their order. Process for cancellation of non-procurable items will be more transparent.

    b. Disadvantages: Services may be unable to accept new status codes.

7. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: DLA timeline is not currently available. Services are requested to provide timeline and feasibility to accept new supply status codes with their Service response.

8. IMPACT:

    a. Automated Information Systems (AIS): All systems must recognize/process the new supply status codes. GSA should review for implementation of codes applicable to the ESA. The new status code for FAT is applicable for Military Service ICPs.

    b. DLMS Data Elements: Three new supply status code values are established as indicated. A new variant of the core data element for dates is established to identify the Engineering Support Activity Response Due Date. Updates must be incorporated in the DLMS Dictionary as well as the MILSTRIP appendix.

    c. DLA Transaction Services: There is Defense Automatic Addressing System (DAAS) mapping update for the ESA Response Due Date. WebVLIPS must be updated to reflect new status code definitions.

    d. Non-DLA Logistics Management Standards Publications: Internal Service/Agency guidance may need to be updated. DLA will need to update the Customer Assistance Handbook.