DEFENSE LOGISTICS AGENCY

HEADQUARTERS

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July 3, 2008

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 279,
Automated Downgrade for Priority Abuse and Reporting Procedures
(Supply/MILSTRIP) (Staffed as PDC 280)

The attached change to DoD 4000.25-M, DLMS, is approved for implementation. 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/formats.asp,
within **5** days from the above date for implementation planning. Phased implementation is
authorized. Defense Automatic Addressing System Center (DAASC) implementation of
expanded edits is effective mid June 2008. The DLMS format change may be implemented
when available. The General Services Administration (GSA) is developing system requirements,
but a GSA implementation date is not available at this time. DAASC will coordinate the
interface with GSA for later implementation.

Addressees may direct questions to the DLMSO point of contact, Ms. Ellen Hilert, Chair,
Supply Process Review Committee, 703-767-0676; DSN 427-0676; or, e-mail:
ellen.hilert@dla.mil. Others must contact their Component designated representative.

for *N. M. Oawruda*

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:
ADUSD(SCI/L&MR)

ADC 279
Automated Downgrade for Priority Abuse and Reporting Procedures

1. ORIGINATOR:

   a.   **Service/Agency:** General Services Administration, Federal Acquisition Service, General Supplies and Services

2. FUNCTIONAL AREA:

   a.   **Primary:** Supply

   b.   **Secondary:** Distribution/Transportation

3. REFERENCE: DLMSO memorandum dated June 1, 2000, subject: Approved DLMS Change 9B, Automatic Downgrading Based upon Validation of Force or Activity Designator (F/AD) I Activities. This change activated automatic downgrading of the requisition Priority Designator (PD) based upon above DAAS identification of improper PD 04 and 11 requisitions and Security Assistance (SA) PD 01s. The downgrade logic employed by DAAS maintains the requisitioner's original Urgency of Need Designator (UND) within the original Issue Priority Group (IPG). The downgraded PD equates to F/AD III. ADC 9A had previously established an automated process to validate F/AD I requisitions using a table of authorized activity DoDAACs maintained at DAASC, but did not include automatic downgrading. Requisitions reflecting unauthorized use of associated priority designators (PDs) are output to a report for Component review.

4. REQUESTED CHANGE:

   a.   **Description of Change:**

   (1)   This change establishes procedures for GSA compliance with MILSTRIP business rules for requisition priority validation for F/AD I activities on requisitions submitted directly to GSA for purchase of GSA-managed items as specified below. ==Yellow highlights== identify updates since proposal staffing.

   (2)   This change removes the current PD 01 exclusion from automatic downgrading for **selected** requisitions which do not identify authorized DoDAACs, and are originated via internet using GSA Advantage/Global or DoD EMALL. ==Pending development of procedures for identifying the F/AD I authorized units within the requisition, AF requisitions with Priority Designator (PD) 01 will be excluded from these expanded edits. Discussions with the AF are underway and this exclusion is considered temporary.==

   (3)   This change also inserts the original (downgraded) PD in the DLMS Supply Status with BK status to clarify the specific change associated with the multipurpose BK status.

   b.   **Procedures:**

   (1)   **Joint Staff.** The Joint Staff will provide to GSA identification of authorized DoDAACs to be excluded from priority designator validation. Joint Staff updates to the

authorized list will be simultaneous with notification provided to DAASC under current procedures.

(2) **GSA.** GSA will systematically edit all MILSTRIP requisitions submitted directly to GSA outside the standard DAASC requisition flow. GSA will validate the use of PD 01, 04, and 11 against the authorized F/AD I activities list. The requisition will be matched against the authorized DoDAAC List using the first six characters of the document number (rp 30-43) and the supplemental address field (rp 45-50) for Document Identifiers A0_, AM_, AT_, A3_, A4_, and APR.

(a) PD 01 requisitions which are unmatched to the Authorized DoDAAC List will be reported to DAASC and downgraded to PD 03 for further processing with one exception:

1   AF customers (identified by Service Code F in the first position of the document number) requisitioning with PD01 will not be downgraded automatically. If not downgraded, GSA will report to DAASC as suspected abuse and allow to process as PD 01. This exception for the AF is an interim waiver pending better methodology for identification of the F/AD I authorized activity on AF requisitions.

2   AF customers unmatched to the Authorized DoDAAC List may be contacted for verification of the requested priority at the discretion of the GSA.

(b) All PD 04 requisitions which are unmatched to the Authorized DoDAAC List will be reported to DAASC and downgraded to PD 06 for further processing.

(c) All PD 11 requisitions which are unmatched to the Authorized DoDAAC List will be reported to DAASC and downgraded to PD 13 for further processing.

(d) GSA will report downgrading action to DAASC on the DIC CHA/CH1 transaction using rp 78 as 'D' to indicate downgrade and rp 79-80 to report the original PD. In the case of PD 01 suspected abuse, if downgrading action is not approved under this proposal, both the PD in rp 60-61 and rp 79-80 would contain 01 on the DIC CHA/1 transaction. This action will allow DAASC to merge GSA priority abuse data into the Unauthorized Priority Designator Assignment Report on a monthly basis as described in DoD 4000.25-1-M, appendix 1.34.

(3) **DAAS.** DAAS will implement automatic downgrading for PD 01 validation for **selected** DoD EMALL-prepared requisitions. The automatic downgrade applies to both standard MILSTRIP for interfund payment, and those requisitions identifying impact card payment method. There will be two exception categories for DoD EMALL PD 01 which will not be subject to automatic downgrading:

(a) PD 01 requisitions created within the DoD EMALL MILSTRIP Order Entry Program (MOES) will not be downgraded. This will allow input by the DLA Customer Interaction Center (call center) supporting urgent/high priority requirements to be processed without downgrading as an interim waiver pending better methodology to identify authorized F/AD activities.

(b) PD 01 AF requisitions created within EMALL will not be downgraded at this time (waiver as described above for GSA).

(4) **DLMS**. As a DLMS enhancement, DAAS will provide the original (downgraded) PD on the BK status resulting from DAAS downgrade action (this change is not associated with

the GSA downgrade since those will be forwarded by DAAS as MILS transactions). Because the BK status is multipurpose, this change will provide for easy identification of the specific data content which was modified during DAAS processing. This change may be implemented separately.

    c. **Alternatives:** Downgrade all PD 01 not matched to the Authorized List.

5. REASON FOR CHANGE:

    a. GSA receives PD 01, 04, and 11 level requisitions directly from ordering sources outside normal DAASC processing. GSA needs to validate these requisitions to ensure they are from F/AD I activities. Any requisition not found on the F/AD I list would need to be reported to the appropriate Component/Agency, via the Unauthorized Priority Designator Assignment Report, on a monthly basis as described in DoD 4000.25-1-M, appendix 1.34.

    b. **PD 01 Downgrade:** Internet ordering does not have the same controls as internal Service systems to filter out priority abuse. This lack of control, combined with untrained ordering personnel using internet ordering, results in a misdirection of resources which may negatively impact the warfighter and creates a drain on supply sources.

Staffing Note: In order to evaluate the extent of suspected priority abuse on requisitions submitted via DoD EMALL, a DAASC-provided statistical report is shown at Enclosure 2, with a summary below. The totals for January 1, 2007, through November 30, 2007, of requisitions (rp1-2 = A0,A3,A4,AM,AT (with a duplicate check to prevent counting the same document number more than once), by month and by grand total of all Priority 01 (rp60-61 = 01), and RIC-TO = DLA (S9C, S9E, S9G, S9I, S9M, S9T and SMS) for each of the communications routing identifiers (CommRIs) used by DoD EMALL, are shown here.   The CommRIs identify the three communications paths (and ordering process) used for DoD EMALL requisitions: 1) is standard ordering process resulting in A0_ transactions; 2) is direct key entry using the MILSTRIP Order Entry System (MOES); and, 3) is standard ordering process resulting in DLMS-formatted requisitions sent to DLA EBS.

	Total-01	Total Not On List	% 01 Abused
1) RUQAHNQ DLA HQ /EMALL	544	447	82%
2) RUQAARA EMALL (MOES)	1766	1143	65%
3) RUQABXC EMALL X12	<u>6933</u>	<u>6661</u>	<u>96%</u>
	9243	825	89%

The enclosure report is the spreadsheet by month and grand total for all rp 60-61 = 01 for each CommRI, with the second spreadsheet the total by month and grand total for each CommRI, to show the subset that match the Downgrade DoDAAC and would be allowed to send rp 60-61 as 01. DAASC subtracted the total of matches from the Total-01 to get the "Total Not on List" shown above and to calculate the percentage.

6. ADVANTAGES AND DISADVANTAGES:

a. Advantages:

(1) This change would significantly reduce the Time Definite Delivery times for true PD 01, 04, and 11 requisitions, by allowing GSA to identify requisitions that require air or expedited service, thus reducing the costs associated with these types of requisitions.

(2) ADC 9, Validation of Force or Activity Designator (F/AD) I Activities, June 1, 1998, states: "F/AD I is reserved for the highest national priorities, and the Chairman, Joint Chiefs of Staff, is responsible for recommending and validating all F/AD I assignments. The Joint Staff audit F/AD I usage on an annual basis to ensure continued validity of those assignments, and require the Services to validate F/AD I usage by activity, based on the requisitioning data captured over the review period. The audits continue to reveal unauthorized use of F/AD I priorities. Unauthorized use of F/AD I allocates potentially scarce resources to activities that would otherwise have a lesser priority. Unfortunately, little has changed since Mr. Trepal, Office of the Secretary of Defense, wrote on January 18,1999, "The DoD/IG's report on inter-Service requisitioning equity, and the resulting efforts that we have made to validate FAD I usage through DAAS, still support the conclusion that abuse of FAD I is not uncommon, and that the penalties for such abuse are somewhere between minimal and nonexistent." Under this change, downgrading of all unauthorized use of PD 01 attributed to DoD EMALL and GSA web ordering customers will finally, and substantially, reduce intentional and unintentional abuse of the priority system.

b. Disadvantages: Unique rules for AF and EMALL MOES complicate programming.

7. IMPACT:

a. Data Content/Procedures: Revised format for CHA/CH1 as stated above. Comparable mapping within the DLMS is provided for future use, and supplements initial mapping of the CHA/CH1 to the DLMS 511R under Approved DLMS Change 86, Revision to DLMS Supplement 511R to Transmit Requisition Image Transactions.

b. GSA would be required to report all unauthorized PD 01 requisitions, and to report/downgrade any unauthorized non-AF PD 01, PD 04, and PD 11 requisitions as described.

c. Publication(s):

(a) Revise DoD 4000.25-1-M to include new subparagraph AP2.14.4.3, and renumber subsequent paragraphs. Refer to Enclosure 1. A comparable change will be made to the DLMS manual.

(b) Revise DoD 4000.25-1-M, Appendix 2.16, Status Codes, and the DLMS dictionary to update the definition of Status Code BK as follows:

BK	Modified.
	(1) Requisition data elements have been modified as requested. Examine data fields in this status document for current requisition data.
(2) Used by DAASC on DI AE9 **and by GSA on DI AE_** to advise that the requisition contained a requisition priority for which the activity was not authorized. The requisition priority has been downgraded as shown and the requisition forwarded for processing.
(3) Also used by DAASC on DI AE9 to advise that the requisition contained an invalid/expired OSD/CJCS Category D Project code. The project code has been blanked out and the requisition forwarded for processing.
(4) Used by DAASC on DI AE9, or by supply source, to advise the customer that the requisition priority designator and/or RDD data fields contained invalid or incompatible data. Customer entry has been modified or blanked out and the requisition forwarded for processing.
(5) Used by DAASC on DI AE9, or by the supply source, to advise that submitter's fund code has been replaced by Fund Code XP requiring noninterfund billing.

(c) Corresponding update will be made to the DLMS manual.

(d) Update the DLMS 511R as follows for future use in DLMS environment:

#	Location	Revision	Reason for Change
1	DLMS Introductory note	Add ADC 279 to DLMS introductory note.

-- *ADC 279, Automated Downgrade for Priority Abuse and Reporting Procedures (Supply/MILSTRIP)* | To identify changes in the DS. |
| 2 | 2/LQ02/140 | Add new data element and corresponding DLMS note (qualifier ALP):

79   Priority Designator Code
Recommend using in all requisitions.

ALP Alteration Lookup
DLMS Note: Use for the second occurrence of the Priority Designator (PD) on GSA transmission of a requisition image transaction to DAAS, when identifying unauthorized use of the PD. The second occurrence will be the original (higher) PD as assigned by the customer. When used, the PD (qualifier 79) must be present. An ANSI data maintenance request has been prepared to establish a new data element 1270 code qualifier assignment for Submitter's Priority Designator (Downgraded). Implementation pending. (Refer to ADC 279) | Allows for communication of the original PD to DAAS for use in generating reports. |

(e) Update the DLMS 870S as follows:

#	Location	Revision	Reason for Change
1	DLMS Introductory not.e	Add ADC 279 to DLMS introductory note. *-- ADC 279, Automated Downgrade for Priority Abuse and Reporting Procedures (Supply/MILSTRIP)*	To identify changes in the DS.
2	2/LQ02/145	Add new data element and corresponding DLMS note (qualifier ALP): 79 Priority Designator Code *Recommend using in all requisitions.* ***ALP Alteration Lookup*** ***DLMS Note: Use for the second occurrence of the Priority Designator (PD) by DAAS/GSA when providing BK status identifying unauthorized use of the PD. The second occurrence will be the original (higher) PD as assigned by the customer. When used, the PD (qualifier 79) must be present identifying the actual priority used to process the requisition. An ANSI data maintenance request has been prepared to establish a new data element 1270 code qualifier assignment for Submitter's Priority Designator (Downgraded). This is an authorized DLMS enhancement. (Refer to ADC 279)***	Allows for communication of the original PD by DAAS to DLMS-capable customers. This will clarify the specific use of the BK qualifier which has multiple meanings and may be difficult to interpret. **Note:** This aspect of the change may have a delayed implementation depending upon DAASC workload. GSA may also provide on status when funding becomes available to adopt DLMS and DLMS enhancements.

AP2.14. APPENDIX 2.14

PRIORITY DESIGNATORS, STANDARD AND REQUIRED DELIVERY DATES

(relevant paragraphs extracted below)

AP2.14.4. ***Purpose***. This section describes the assignment process for determining the appropriate PD based on the assigned F/AD, and the validation process for activities that assign and use F/AD I inappropriately.

AP2.14.4.1. Derivation of Priority Designators. The requisitioning activity determines the appropriate PD to enter in the requisition based on the assigned F/AD, and the UND determined by the requisitioning activity. Table 1 indicates the appropriate Arabic number PD derived from a combination of a given Roman numeral F/AD with one of the alphabetical UNDs. It should be noted that each force or activity normally can choose from only three priority designators.

Table 1			
DERIVATION OF PRIORITY DESIGNATORS			
(Relating F/AD to UND)			
FORCE OR ACTIVITY DESIGNATOR	URGENCY OF NEED		
	A	B	C
I	01	04	11
II	02	05	12
III	03	06	13
IV	07	09	14
V	08	10	15

AP2.14.4.2. Validation of F/AD I Activities. By direction of the OSD, the DAASC (J-6D) will validate F/AD I usage through the requisitioning process. The DAASC will maintain an edit table consisting of activities authorized to use F/AD I. To preserve accuracy and timely update, the JCS will forward to DAASC *and GSA* all OSD-approved assignments of F/AD I immediately upon approval. Telephonic or electronic communication, to include on-line update, with the DAASC *and GSA* is authorized for time sensitive updates; however, formal documentation shall be forwarded to DAASC *and GSA* to support inclusion of all F/AD I authorized activities. In order to maintain unclassified communication, JCS contact points are advised to identify authorized activities by DoDAAC only (no clear-text activity names), and make no reference to the associated F/AD. DAASC will edit PD 01, 04, and 11 requisitions (DIs A0_, AM_, AT_, A3_, A4_, and APR) to ensure that F/AD I requisitions identify an authorized activity in the document number (rp 30-43), or supplemental address field (rp 45-50). DAASC will identify PD 01 requisitions failing this edit for suspected abuse, and subsequent investigation without interruption of normal requisition processing. DAASC will use table 2, below, to downgrade PD 04 and 11 requisitions failing this edit. DAASC will report downgrading action back to the requisitioner in an AE9 transaction with BK status, and will forward the modified requisition for processing. By agreement, all suspected F/AD I abuses found in US Coast Guard requisitions (rp 30 equal to Z) identified under above validation process, will be automatically downgraded. In addition, DAASC will assess the validity of transactions which bypass the F/AD I validation process as a result of alternative requisition submission, such as, Defense Supply Export System (DESEX) input, using the requisition image transaction (DIs CHI, CHA, BE9, and B99). Suspected abuses uncovered during the above edit process (to include those transactions downgraded by DAASC) will be output to the Unauthorized Priority Designator Assignment Report (Appendix AP1.34).

AP2.14.4.3. *General Services Administration Requisitions. MILSTRIP requisitions submitted directly to GSA for GSA managed items will be reviewed for appropriate PD assignment prior to further processing. Any requisitions with PD 04 or PD 11 will be downgraded in accordance with table 2. PD 01 requisitions may be downgraded with the exception of AF (Service Code F) requisitions[1]. GSA will notify the requisitioner of the downgrade by generating a Supply Status, DIC AE8 with BK Status, and route to DAASC for distribution to the correct recipient(s) depending on the Media/Status and Distribution Code in the AE8. The modified requisition will be forwarded within GSA for processing based on the new PD. GSA will report downgrading action to DAASC on the DIC CHA/CH1 transaction using rp 78 as 'D' to indicate downgrade and rp 79-80 to report the original PD. In the case of PD 01 suspected abuse, both the PD in rp 60-61 and rp 79-80 would contain 01 on the DIC CHA/1 transaction. This action will allow DAASC to merge GSA priority abuse data into the Unauthorized Priority Designator Assignment Report on a monthly basis as described in DoD 4000.25-1-M, appendix 1.34. NOTE: MILSTRIP requisitions submitted directly to GSA for GSA managed items will not be revalidated by DAASC against the established edit table.*

AP2.14.4.4 *DoD EMALL Requisitions. DAAS will apply automatic downgrading to DoD EMALL prepared requisitions unmatched to the Authorized DoDAAC List with the exception of AF PD 01 and MILSTRIP Order Entry Program (MOES) PD 01.*

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[1] Refer to ADC 279, Automated Downgrade for Priority Abuse and Reporting Procedures. The exception for the AF is an interim waiver pending better methodology for identification of the F/AD I authorized activity in AF requisitions.

AP2.14.4.**5**. Security Assistance Requisitions. All Security Assistance requisitions (identified by Service Code B, D, K, P, or T in rp 30/45), will be reviewed for appropriate PD assignment by the ILCO prior to release. Specific procedures to accomplish this may be deferred until implementation of the DSAMS. The Security Assistance requisitions will not be revalidated by DAASC against the established edit table. However, any Security Assistance requisitions with PD 01, 04, or 11 will be downgraded in accordance with table 2. DAASC will report downgrading action to the applicable ILCO in an AE9 transaction with BK status, and the modified requisition will be forwarded for processing. Suspected abuse will be output to the Unauthorized Priority Designator Report under the appropriate S/A heading with no activity name.

Table 2	
DAASC TABLE FOR AUTOMATIC DOWNGRADING OF REQUISITION PRIORITY DESIGNATOR[2]	
If PD is:	then DAASC will to change to
01 (USCG, USAF JM accounts, and SA only)	03
04	06
11	13

AP2.14.4.**5**. Participating Service/Agency Points of Contact and Responsibilities. DoD 4140.1-R (DoD Materiel Management Regulation), appendix 9, requires DoD Components to designate a single office of primary responsibility to act as focal point for UMMIPS matters. To provide clear visibility of such points of contact, the JCS, the Military Services, the Defense Logistics Agency (if needed), and the General Services Administration, will provide contact information to DLMSO for publication in this appendix. Contact information shall include office name/symbol and communications numbers. Primary and alternate information should be included. DoD Component responsibilities for monitoring FA/D assignments and conducting annual reviews are delineated in DoD 4140.1-R.

AP2.14.4.6. Service/Agency Points of Contact are listed n the DLMSO Web site at http://www.dla.mil/j-6/dlmso/eLibrary/Restricted/SvcPointsPOC/default.asp.

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[2] Effective November 3, 2003, DAASC implemented logic change to allow requisitions with DODAAC N00421 in rp 30-35, Document Number Serial Numbers FQ and GQ (in rp 40-41) and PDs 04 and 11 to pass through DAASC processing without being downgraded. Requisitions with DODAAC N00421, document number serial numbers beginning with FQ and GQ for PDs 01, 04, and 11 will not be included in the monthly Priority Designator Reports.

MONYY	COMMRI	Count
JAN07	RUQAARA	143
JAN07	RUQABXC	402
JAN07	RUQAHNQ	110
		655
FEB07	RUQAARA	183
FEB07	RUQABXC	539
FEB07	RUQAHNQ	133
		855
MAR07	RUQAARA	246
MAR07	RUQABXC	460
MAR07	RUQAHNQ	191
		897
APR07	RUQAARA	174
APR07	RUQABXC	502
APR07	RUQAHNQ	100
		776
MAY07	RUQAARA	160
MAY07	RUQABXC	800
MAY07	RUQAHNQ	4
		964
JUN07	RUQAARA	156
JUN07	RUQABXC	570
JUN07	RUQAHNQ	1
		727
JUL07	RUQAARA	138
JUL07	RUQABXC	689
		827
AUG07	RUQAARA	181
AUG07	RUQABXC	1,246
AUG07	RUQAHNQ	3
		1,430
SEP07	RUQAARA	115
SEP07	RUQABXC	775
		890
OCT07	RUQAARA	202
OCT07	RUQABXC	417
OCT07	RUQAHNQ	2
		621

RUQAARA	RUQABXC	RUQAHNQ
1,766	6,933	544

	Grand Total	9,243

Enclosure 2: Worksheet 1: All PD 01 EMALL Requisitions

MONYY	OCOMMRI	COUNT		RUQAARA	RUQABXC	RUQAHNQ
Jan-07	RUQAARA	43		623	272	97
Jan-07	RUQABXC	8				
Jan-07	RUQAHNQ	29				
		80		**Grand Total**		**992**
Feb-07	RUQAARA	38				
Feb-07	RUQABXC	18				
Feb-07	RUQAHNQ	20				
		76				
Mar-07	RUQAARA	92				
Mar-07	RUQABXC	16				
Mar-07	RUQAHNQ	15				
		123				
Apr-07	RUQAARA	47				
Apr-07	RUQABXC	5				
Apr-07	RUQAHNQ	33				
		85				
May-07	RUQAARA	48				
May-07	RUQABXC	9				
		57				
Jun-07	RUQAARA	41				
Jun-07	RUQABXC	28				
		69				
Jul-07	RUQAARA	75				
Jul-07	RUQABXC	58				
		133				
Aug-07	RUQAARA	76				
Aug-07	RUQABXC	70				
		146				
Sep-07	RUQAARA	55				
Sep-07	RUQABXC	20				
		75				
Oct-07	RUQAARA	64				
Oct-07	RUQABXC	20				
		84				
Nov-07	RUQAARA	44				
Nov-07	RUQABXC	20				
		64				

Enclosure 3: Worksheet 2: Matched to Authorized DoDAAC List