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MEMORANDUM FOR DISTRIBUTION

SUBJECT: Department of Defense (DoD) Contract Administration Process Review
Committee (PRC) Meeting 05-01, September 8, 2005

The attached minutes of subject meeting are forwarded for your information and appropriate action.

The Defense Logistics Management Standards Office point of contact is Ms. Ellen Hilert, Acting Chair, DoD Contract Administration PRC, 703-767-0676, DSN 427-0676 or email: ellen.hilert@dla.mil.


for EDUARDO VICENCIO
Lt.Col., USAF
Acting Director
Defense Logistics Management
Standards Office

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MEMORANDUM FOR RECORD

SUBJECT: Department of Defense (DoD) Contract Administration Process Review
Committee (PRC) Meeting 05-01, September 8, 2005

1. Purpose: The Defense Logistics Management Standards Office (DLMSO) chaired the initial meeting of the reformed DoD Contract Administration/Post Acquisition PRC formally known as the Military Standard Contract Administration Procedures (MILSCAP) Committee. The MILSCAP Committee has been inactive and events have dictated that it be reconstituted. This initial meeting of the PRC was held to discuss and review the status of the Defense Logistics Management System (DLMS) transactions and to share information to ensure a coordinated plan to support MILSCAP functionality during the DoD Component's migration to DLMS.

2. Background: The position of chair for the Contract Administration/Post Acquisition PRC has been vacant for a significant time period. Important happenings within the Acquisition function dictates that DLMSO move out in support of the Acquisition community to address such issues as Wide Area Work Flow (WAWF), WAWF impact to the DLMS, DoD Component migration to the DLMS, Unique Identification (UID), etc. Also of concern is the identification of the right people within participating DoD Components to be members of this PRC.

3. Review of Agenda Topics:

a. DLMS Overview Briefing: Mr. Dale Yeakel, DLMSO, briefed the attendees on the DLMSO mission and its role in the DoD logistics business processes. He covered the core mission areas and the importance of DLMSO's role in maintaining interoperability in the logistics business framework. He stressed the importance of the PRCs in maintaining the necessary interfaces between the logistics and acquisition processes and the continued flow of transactions in support of those processes. DoD Component subject matter experts led by DoD, DLMSO, and DAASC are the key ingredients that take DoD policies and develop the detailed business rules in support of new methods such as UID and Radio Frequency Identification (RFID). He reviewed the DLMS change process highlighting current focus areas of DoD initiatives and the difficulty of moving from the Military Standard Systems (MILS), such as MILSCAP, to restructured variable length DLMS transactions. Mr. Yeakel reviewed how DLMSO is assisting the DoD Components in their respective migrations to the DLMS by working with them and by conducting DLMS training sessions. He stressed the importance of the DLMSO website covering the abundance of information on the website to assist the Components. Mr. Yeakel summed up by covering DLMSO's expanding overarching logistics

role in meeting today's enterprise integration challenge and how DLMSO will support the future logistics enterprise.

b. Defense Contract Management Agency (DCMA) DLMS Migration Plan

Briefing: Ms. Esy Dunn, DCMA eBusiness, covered how DCMA is meeting the DLMS implementation mandate. Detailed discussions took place during the briefing on how the DCMA implementation strategy impacts other DoD Component systems and may be causing a breakdown in the Defense Automatic Addressing System (DAAS) translation processes. It was stressed the DoD Component systems have standing transaction requirements that must be preserved throughout the DLMS migration process. DCMA must support those processes or the Components will be severely impacted. The importance of interface coordination was stressed vice unilateral action by any one Component. Army indicated they would be impacted by being forced to process thousands of PJJ and PJR sent to them manually for input to the Army contracting system. This would cause a breakdown in the MILS/DLMS processes. Ms. Hilert indicated that translations maps for all MILS/DLMS conversion processes have been published. Ms. Dunn covered the flow of the 850 (Contracts) and 860 (Modifications). When covering the flow of the 856 (PJJ/PJR) (Advance Shipment Notice) and the 861 (Acceptance) doubts were raised on the proper flow of the transactions and the whether they were being routed correctly to DAAS. The PK_ transactions have always come through DAAS and should continue under the DLMS. It was pointed out that DCMA/WAWF need to review transaction flow and continue sending DAAS the necessary P-series transactions or equivalent DLMS transactions during migration to DLMS. If comparable DLMS transactions are sent to DAAS, DAAS will convert based on established customer profiles. DCMA MOCAS will begin sending the DLMS transactions to WAWF and not send the P-series to the Components in December 2005 creating a void in other DoD Component processing. In addition to the PJJ and PJR, the other affected transactions are the PK5, PKP, and PKN (in ASC X12 861) and the PK9, PKX, and PKZ (in ASC X12 567). DCMA/WAWF indicated they will evaluate and may possibly be able to correct this void in their June 2006 implementation. **Action items from this discussion are:**

1). WAWF Program Office (PO) will markup copies of the 856 and 861 to show different data contents and different flows than what is shown by the DLMS. WAWF PO will submit to the Acting Chair, Contract Administration PRC.

2). DLMSO will staff a revised MILSCAP Appendix K (MILSCAP Participants) to update participants/organizations processing MILSCAP transactions.

3). DLMSO will revise the DLMS Volume 4 Chapters that cover the ASN and Acceptance Report procedures. DLMSO will re-staff previously proposed chapter updates to accomplish this.

4). DCMA will reevaluate their DLMS migration waiver request for the MOCAS PA and PB process as the DLMS waiver expired in June 2005.

5). WAWF PO will reevaluate their action to cease processing PJJ/PJR (856), PK5/PKP/PKN (861), and PK9/PKX/PKZ (567) to DAAS/Components in December

2005 and propose a method for continued support to the DoD Components for those processes and others where a void may be created.

c. DLA WAWF Program Interface Briefing: Ms. Beth Altman, DLA, covered the data flow between WAWF and DLA Business System Modernization (BSM)/ Depot Standard System (DSS). DLA will implement WAWF in three phases due to the magnitude of the effort. Ms. Altman reviewed the individual phases covering in addition to transaction data flow and the RFID, the WAWF/BSM interface for destination acceptance and how DLA will link vendor payment to receipt acceptance. All transaction traffic between WAWF and BSM/DSS is routed through DAAS. Ms Altman indicated the 856 carries the RFID to DSS. She reviewed the UID and receipt discrepancy reporting processes and routing of the 861 from DSS to WAWF and the 856 from WAWF to BSM. One problem encountered under Phase I is that the contract and shipment notice reflect the purchase unit of measure, while the acceptance report generated by DSS contains the unit of issue. When this results in a mismatch, the 861 will be rejected and manual intervention is required to post the acceptance. This discussion raised a secondary issue of conversion between the X12 unit of measure and the DoD unit of issue. The X12 unit of measure is required for transaction syntax, but is not being adopted within DOD systems. Ms. Hilert indicated that several DLMS users have identified a preference to use a single code conversion list which will be constantly updated irrespective of the ASC X12 version a particular code was approved (i.e., approved for version 5010 but used for versions 4010 and 4030 if needed by the DoD Components). Considerable discussion took place on the WAWF receipt acceptance process. DLA is proposing using the Transporter Proof of Delivery (TPD) as a trigger for creation of the acceptance report. The TPD would be attached to the 856 by the vendor. Most attendees questioned the legality of such an action, that Public Law would be violated and also not be in compliance with DoD 7000.14-R, Volume 1, Chapter 33. A carrier's signed delivery does not provide adequate basis for acceptance by the Government. Considerable discussion took place on overages and allowed contract variances. WAWF will not accept overages when allowed within the contract as a variance and the amount shipped when reflected on the acceptance report. There are two processes which may be employed depending upon the payment system. Either the vendor must provide a new shipment notice reflecting the entire quantity or the vendor must provide a new shipment notice for the overage only. The overage must be suspended until one of these processes. This is confusing since there is no standardization from the vendor's perspective and otherwise acceptable material within the variance must be delayed acceptance. Also covered was the 567C and whether it was adequate for contract closeout. It was decided the 567C needs to have a closeout date data field added and DLMS Volume 4, Chapter 8, needs to be revised accordingly. **Action items from this discussion are:**

1). Army will draft a proposed change to DLMS Volume 4, Chapter 8 and the 567C to add a contract closeout date and to make it a 2-way flow transaction. The proposal will be sent to Ms. Hilert who formalize and staff with participating DoD Components.

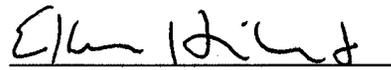
2). DLA will provide further background to DLMSO on the legality of using TPD with a carrier's signature as basis for acceptance by the Government.

d. WAWF Flow of the 856 and 861: Mr. James Craig, CACI, reviewed the WAWF flow of the 856 and 861. He pointed out that the 856 is used three ways: MOCAS ship notice and source acceptance; BSM ship notice and source acceptance; and DSS for ship notice. The 861 is used by MOCAS for destination acceptance, CAPS-W destination acceptance/source of destination, BSM vendor acceptance, Army destination acceptance/source of destination. DLMSO expressed concern once again about using standard transactions for other than their intended purpose and especially without full documentation within the governing manuals.

e. WAWF Processing of Government Furnished Property (GFP) Shipments: Mr. James Craig, CACI, covered the WAWF vendor process for transferring GFP back to the Government or to another contractor. He also reviewed how a contract change notification is processed and how the Government issues GFP to a vendor via the web. Mr. Craig also showed how the web will be able to be used to receipt for GFP (June 2006). Ms. Hilert indicated that the DLMS Supply PRC would be interested in the WAWF GFP process, especially as it impacts current MILS/DLMS processes for Government Furnished Material. **Action Item from this discussion is: The WAWF PO brief the DLMS Supply PRC, October 18-20, 2005, on the re-engineered GFP process under WAWF.**

f. Meeting Summary: Ms. Hilert thanked all attendees for their participation and stressed the importance of staying in contact and maintaining an interface between the Supply and Acquisition sides of DoD. She also asked attendees for their assistance in identifying the right people to become PRC members. The DLMS PRCs are the backbone of DoD Logistics and the best people from the Services and Agencies are needed to keep the business processes going. Ms. Hilert pointed out the importance of using the DLMSO website. She stated that data on the website is being updated and will be kept current. All briefing materials and handouts from this meeting will be posted to the web at <http://www.dla.mil/j-6/dlms/Programs/Committees/Acquisition/acquisition.asp>

APPROVE:


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Enclosure