



Defense Logistics Agency **INSTRUCTION**

DLAI 4140.06
Effective February 9, 2015

Accountable Office: DLA Logistics Operations, Planning Division (J343)

SUBJECT: Materiel Returns Program (MRP)

- References:
- (a) DoD 4140.01, Volume 6: DoD Supply Chain Materiel Management Procedures: Materiel Returns, Retention, and Disposition, February 10, 2014
 - (b) DLAI 1408, Materiel Returns Program Instruction, February 2, 2010 (hereby cancelled)
 - (c) DLM 4000.25-1, Military Standard Requisitioning and Issue Procedures (MILSTRIP) Chapter 9, December 19, 2013
 - (d) DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP), December 19, 2013
 - (e) DLM 4000.25-4, Defense Automatic Addressing System (DAAS), June 5, 2012

1. PURPOSE. In accordance with the authority in Reference (a), this Issuance reissues Reference (b) to update policy, responsibility and procedures for MRP in accordance with Reference (c).

a. The purpose of the MRP is to maximize use of assets already owned by the Department of Defense (DoD) through planned returns resulting from large scale operational projects, major installation deactivations, weapon system phase outs, or fleet decommissioning.

b. The intent of the MRP allows customers with materiel excess to offer those assets back to the Integrated Materiel Manager (IMM) before disposal of those assets. On review of the current stock position, the IMM will accept the materiel back with credit, without credit, or disallow the return.

2. APPLICABILITY. This Instruction applies to DLA Headquarters; DLA Troop Support, DLA Aviation, DLA Land and Maritime (hereafter referred to collectively as DLA Supply Centers) and their Support Activities; and DLA Distribution and DLA Distribution Centers.

3. DEFINITIONS. See Glossary for acronyms and definitions used in this Instruction.

4. POLICY. It is DLA Policy to:

a. Receive and process customer offers of materiel in a timely manner, not to exceed 30 days from the receipt of the offer, stating return with credit, return without credit, no return or delay in response, and the destination depot for those directed for return.

b. Ship materiel only with direction from the IMM. Materiel must not be received without authorization.

5. RESPONSIBILITIES. See Enclosure 1.

6. PROCEDURES. See Enclosure 2.

7. INFORMATION REQUIREMENTS. None

8. INTERNAL CONTROLS. Conduct yearly process area review with Planning end users to ensure compliance with this instruction and identify areas for process improvements.

9. RELEASEABILITY. UNLIMITED. This Instruction is approved for public release and is available on the Internet from the DLA Issuances Internet Website.

10. EFFECTIVE DATE. This Instruction:

a. Is effective on February 9, 2015.

b. Must be reissued, cancelled or certified current within 5 years of its publication in accordance with DLAI 5025.01, DLA Issuance Program. If not, it will expire effective February 9, 2025 and be removed from the DLA Issuances Website.

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Enclosure(s)

Enclosure 1 – Responsibilities

Enclosure 2 – Procedures

Glossary

ENCLOSURE 1
RESPONSIBILITIES

1. THE DIRECTOR, DLA LOGISTICS OPERATIONS (J3) must:

- a. Establish overall guidance for logistics management in DLA.
- b. Ensure this policy is maintained and kept up to date.

2. The EXECUTIVE DIRECTOR, SUPPORT (J34), under the authority, direction, and control of the DIRECTOR, DLA LOGISTICS OPERATION (J3), must:

- a. Provide policy and process oversight.
- b. Implement and monitor policies, procedures, and other guidance related to planning functions at DLA Supply Centers and DLA Distribution.
- c. Conduct internal review processes and quarterly meetings with Planning Process Owner, Materiel Returns Sub-Process-Owner (SPO), DLA Supply Centers and DLA Distribution.

3. The Commander, DLA Supply Centers must:

- a. Provide a response to the Materiel Returns customers no greater than 30 days from receipt of the offer of materiel stating return with credit, return without credit, no return or delay in response, and the destination depot for those directed for return.
- b. Conduct required training to personnel who perform functions related to Materiel Returns research and analysis.

4. The Commander, DLA Distribution must:

- a. Receive shipped Materiel Returns from customer. Upon receipt and inspection of materiel, DLA Distribution will process the appropriate MILSTRAP transaction to put the materiel on the accountable record. Inspection will include but not be limited to condition code and quantity.
- b. DLA Distribution can deny any materiel received in a different condition code other than offered and directed, or for any quantity received which was not offered and directed for return.

ENCLOSURE 2

PROCEDURES

1. Prepare offer of materiel (MILSTRIP Document Identifier Code (DIC) FTE (Customer report of available assets)).

a. Ship materiel on direction from IMM, verbal disposition instructions are invalid. Any materiel received without approval will be considered unauthorized.

b. To respond to a Procurement Offset inquiry DIC code of DZE (Asset Status Reporting Request), offer materiel via a MILSTRIP DIC FTE transaction. If no assets are available to be offered to DLA, no response is required.

c. Route offer of materiel to the IMM.

2. Respond to offer of materiel (IMM).

a. IMM must review requirements and direct return of materiel as part of their overall responsibility for management and visibility of a given stock number. Oversight prevents retail assets from ending up in disposal concurrent with wholesale purchasing. These assets are viewed as an additional source of materiel to fill customer requirements and insure readiness.

b. IMM will validate offers of materiel and determine return or non-return status. This status will be provided to the customer via DIC FTR (Reply to Customer Asset Report), along with a ship to location for those items directed back into stock.

c. All materiel must ship in such a manner as to prevent degradation of condition. Materiel must be in Condition Code A for credits to be issued. The depot will process the appropriate MILSTRAP accountable record transaction upon receipt and inspection of required materiel. This inspection must include, but not be limited to, condition code and quantity. The depot receipt must be in Condition Code A for the credit process to initiate in Enterprise Business Systems (EBS). If the depot receipts the material in other-than-A condition code, no credit will be issued or reduced credit will be provided.

d. Use on-line procedures to the maximum extent possible. Customers who do not have access to on-line procedures should contact the Customer Interaction Center at 1-877-DLA-CALL (1-877-352-2255) or DLAcontactcenter@dla.mil for alternative processing methods.

e. Verbal and email requests for disposition instructions are not accepted. All official requests must be submitted as an FTE. MRP transactions are subject to audit; accordingly, a history file record is generated upon receipt of the FTE document. This record acts as an official audit trail for document transactions until the process is complete and authorized credit issued.

f. DLA only accepts creditable returns of \$100 dollars or higher. Customer returns under \$100 dollars that meet the following criteria will be reviewed for possible acceptance.

- (1) Item has backorder (open sales order)
- (2) Open Purchase Requests
- (3) Item has a Manager Review Code
- (4) Item is coded Diminishing Manufacturing Sources

g. All credits must be provided in accordance with the signal code in the offer of excess. Credit for Packing, Crating, Handling and Transportation (PCH&T) must be granted for all directed returns. Credits consist of the following:

(1) For TA status, (credit) is provided for materiel at DLA's acquisition cost, plus 5.5% of that cost for PCH&T.

(2) For TB status, (no credit) is provided for materiel, but 5.5% of DLA's acquisition cost for PCH&T is authorized.

h. The owner of materiel must respond to IMM follow-ups within 30 days. In addition, materiel must be shipped and received within the following timeframes:

- (1) For activities within the continental United States: 120 days.
- (2) For activities outside the continental United States: 180 days.
- (3) The receiving depot must stow the materiel return receipt within 30 days.

3. Exclusions.

a. DLA does not accept Materiel Returns for DIC FTG (Part-numbered customer asset reports). All other part-numbered asset reports shall be passed to the Routing Identifier Code (RIC) indicated in the incoming transaction. Customer asset reports identified by part numbers exceeding rp 8-22 of the stock or part number field are excluded from the DAAS processing of DIC FTG transactions.

b. Perishable subsistence items, with the exception of perishable subsistence returns (other than Fresh Fruit & Vegetable) from Navy mobile logistics, support fleet ships in the Pacific area.

c. These items may be reported to DLA Aviation – VI/HM8 (S9G) on DD Form 1342, Department of Defense Property Record.

- (1). Class V (W) ground (surface) ammunition.

(2). Lumber products.

d. Chemical-Biological/Medical for two additional exclusions: Class VIII in Federal Supply Class (FSCs) 6505 - Drugs and Biologicals Class; and, 6550 - In-Vitro Diagnostic Substances, Reagents, Test Kits and Sets.

e. Chemical-Biological Radiological Nuclear (CBRN) Individual Protective Equipment (IPE) Note: There's no unique data element to identify CBRN-IPE and this materiel falls under the same FSC as non-CBRN Clothing and Textile items.

f. Items that are considered Critical Safety are automatically placed on rejection list by the system logic and will not be accepted back for return. All types of Chemical Protective Clothing items are on the Auto TC list.

g. IMM may take action to recoup from the returning activity the cost of all reimbursable actions the receiving activity performs (such as repackaging, marking, and/or disposal) for unauthorized return of materiel.

4. Procurement Offset.

a. Items requested must be within 0-60 days of procurement to qualify for a Procurement Offset. If yes, Planning will systemically notify Order Fulfillment to send the inquiry transaction to participating services to trigger the procurement offset process.

b. Order Fulfillment triggers the procurement offset process. The asset inquiry transaction is the MILSTRAP DZE, but with a letter "P" in record position 7, which indicates that its purpose is for Procurement Offset via this process. Customers will respond to the DZE transactions when they have excess available by submitting a FTE transaction containing Project Code of RBB in record positions 57-59.

c. Reimbursement for material is at acquisition price.

d. Reimbursement for packing, crating and handling is 3.5% of the material credit price.

e. Reimbursement for Transportation is at 2% of the material credit price.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

DAAS	Defense Automatic Addressing System
DIC	Document Identifier Code
DZE	Asset Status/Transaction Reporting Request
EBS	Enterprise Business Systems
FSC	Federal Supply Class
IMM	Integrated Materiel Manager
MRP	Materiel Returns Program
MILSTRAP	Military Standard Transaction Reporting and Accounting Procedures
MILSTRIP	Military Standard Requisitioning and Issue Procedures
RIC	Routing Identifier Code
PCH&T	Packing, Crating, Handling and Transportation
TA	Credit is authorized
TB	Allow all quantities to be returned without credit
TC	Non-returnable

PART II. DEFINITIONS

Auto TC List. Is a list of items that are NEVER accepted back for return, some examples would be items with very short shelf life, critical safety items, food and medicine.

Condition Code A. Serviceable, new, used, repaired, or reconditioned materiel, which is serviceable and issuable to all customers without limitation or restriction, this includes materiel with more than 6 months shelf-life remaining.

Integrated Materiel Manager. Any DoD activity or agency that has been assigned integrated wholesale materiel management responsibility for the Department of Defense and participating Federal agencies. Integrated wholesale materiel management responsibilities include requirements

determination, procurement, distribution, overhaul and repair of reparable materiel, and disposal of materiel.

Procurement Offset. Is the process of procuring available assets from the Services to offset procurement at DLA, in lieu of soliciting a contract with a vendor.

Unauthorized Return. Materiel is returned to a plant without prior authorization and no paperwork to associate the materiel return is found. Or the Customer returned materiel after the 120/180 day window expired.