Product Quality Deficiency Report

References: Refer to Enclosure 1.

1. PURPOSE. This instruction provides the policy and procedures for reporting, receiving, investigating, and resolving Product Quality Deficiency Reports (PQDRs). Outputs of this process are timely actions to repair, replace or provide credit to customers who receive defective material and submit PQDRs. It includes complete investigations which determine the cause of deficient material, actions to correct the material, and prevent future occurrences. Complete and timely responses must be provided to customers. All actions must be documented.

2. APPLICABILITY. This DLA Instruction applies to DLA Headquarters (HQ) and Defense Supply Centers.

3. POLICY.
   a. It is DLA’s policy that PQDR responses to customers will be timely and satisfy customer expectations. Product Specialist will be the Action Point. Upon receipt of any customer complaint, the Product Specialist will take immediate action to satisfy the customer’s supply requirement with a replacement item or credit, whichever the customer chooses. If the customer did not choose a replacement or credit, the customer is to be contacted to identify whether a replacement or credit is required. If a conforming replacement item is not available, credit will be initiated. After the customer has been satisfied, the Action Point must determine the need for and scope of the investigation of the PQDR based on the item’s complexity, criticality, cost, contract quantity, number of nonconforming items, and frequency of occurrence. Category I PQDRs, reporting non-conformances on any critical or major characteristics must always be investigated.

   b. DLA will take corrective actions to assure the cause of the complaint is corrected and implement preventive actions to minimize the risk of recurrence. All complaints must be answered and the entire process must be documented. Each DSC must have a PQDR Control Point that is responsible for assuring the effectiveness, adequacy, and completeness of PQDR investigations, actions, and documentation of the PQDR information.

4. RESPONSIBILITIES:
   a. DLA personnel will report any deficient items found or reported through non-PQDR processes.
b. Product Specialists (PS) will provide immediate customer satisfaction with a replacement item or initiate credit.

c. Product Specialist will determine the need for and scope of the PQDR investigation. PS will conduct the investigation and will be the Action Point.

d. PS will take corrective action to correct the deficiency and take action to correct deficient material already produced. Action will be taken to preclude recurrence of the deficiency.

e. PS will provide interim responses and final replies to the appropriate Military Service Screening point. Responses and replies will be captured in EBS. This is to document and maintain an audit trail of all pertinent actions and decisions relating to the processing of PQDRs.

f. The DLA Control Point will analyze trends and to assure that complaint resolution actions and documentation of the complaint management computer systems are adequate and complete

5. **PROCEDURES.** Refer to Enclosure 2.

6. **EFFECTIVE DATE.** October 31, 2008
References

ENCLOSURE 1


4.4.3. DLA Technical-Quality Policy and Procedures Deskbook, dated July 31, 2009
Enclosure 2

Procedures

a. DLA personnel will report deficient items. When knowledge is obtained by DLA personnel that DLA-managed items are defective, personnel learning about the defect must complete SF 368 Product Quality Deficiency Report and ensure entry in EBS. This may occur during an unofficial notification from a customer, a test report from Product Verification personnel, or finding defective items through other means, (i.e., Qualified Product process, Quality Systems Management Visits, Government Industry Data Exchange Program (GIDEP), bulletins, DCIS, GAO, or DOD IG notifications).

b. The Action point will provide immediate customer satisfaction with a replacement item or credit. If the received complaint does not specify the action desired by the customer, the DLA Action Point will contact the customer to determine whether replacement or credit is needed. If a replacement item is available that does not contain the reported defect, the customer will be furnished the replacement item when requested. If a replacement item is not available, disposition instructions with exhibit holding instructions will be provided with credit recommended.

c. After the customer has been satisfied with a replacement item or credit, the DLA Action Point must determine the need for, and scope of, investigation of the deficiency. The item complexity, criticality, cost, contract quantity, number of nonconforming items, and frequency of occurrence (e.g., isolated instance) should be used as evaluation criteria.

d. Investigations should be focused upon determining the validity of the PQDR and determining the cause of the defect. If investigation at the contractor’s plant is indicated, a PQDR form/format or direct transfer to the Defense Contract Management Agency (DCMA) will be provided to the appropriate DCMA office involved with a statement of the support required (i.e., action or “information-only”). If the contract was source inspected, but a full investigation at the plant is not deemed necessary, an “information only” copy of the PQDR must be provided to the DCMA. Assistance must be provided to the DCMA Support Point to obtain exhibits if DCMA requests them. If inspection of the items is indicated, the Product Verification Program (PVP) office must be requested to perform the testing or special inspection. If investigation is required by the Engineering Support Activity (ESA), Specification Preparing Activity (SPA), or original procurement office, the PQDR form/format should be provided to the organization with a statement of the support required.

e. The Action point will determine the scope of corrective action to correct the deficiency. Criteria to make this evaluation will be based on severity, criticality, the type and extent of the defect, number of items that may be involved in both wholesale and retail stock, current contracts and “due-ins” for the item.

f. Take actions to correct deficient items already produced. As indicated by the determination, the corrective actions will include: issuance of Alert notification(s) in the Government-Industry Data Exchange Program (GIDEP) (such as Safety Alerts on critical application items), notification of other users and/or all known requisitioners, and
notification of PQDR Military Service Screening Points, performance of segregation and screening inspection of existing product, recommendation to contracting officers on contractual warranty enforcement, action to obtain contractor repair, replacement, or reimbursement of nonconforming materiel by the contractor, reclassification of stock, issuance of a Quality Assurance Letter of Instruction, modification of current/future contracts, and disposition instructions on the item from the item manager or contracting officer.

g. The corrective actions will include: recommendation of specification/drawing changes to the ESA/SPA, changes to the master materiel data file, issuance of a QALI for future contracts, advice to contracting officers of adverse contractor quality history, documenting quality history in the supplier or item records, preparation of a GIDEP ALERT when the materiel has both Government and industrial application. Contractors must be notified in writing when they have (or a suspected to have) supplied non-conforming materiel. If appropriate, copies of all PQDRs (or written notification of the defective materiel) will be provided to contractors.

h. Prepare and send interim and final PQDR replies to the appropriate component Screening Point following guidance in the DLA Technical-Quality Policy and Procedures Deskbook. The final reply represents all comprehensive documentation, including decisions pertinent to testing, screening, and feedback from contractors. If it is determined inappropriate to place this documentation in the final reply, the PQDR history file should contain the documentation. Category I PQDR final responses must be signed by the managers (or acting managers) assigned responsibility for the item/groups of items (these are the directors of application groups, product centers, or business areas). Category II final PQDR replies must be signed by the supervisor (or acting supervisor) of the person assigned to perform complaint investigation actions as the Action Point. Signature on final replies constitutes management’s documentation of the determination that the PQDR process was correctly implemented and sound technical decisions were achieved.

i. Document and maintain a complete audit trail for all pertinent actions and decisions related to the processing of each deficiency report. All information in the final reply, and all actions taken during the investigation and resolution of the PQDR, will be placed in the PQDR history file and the automated deficiency reporting system.

j. The Control Point will analyze defect trends and to assure that complaint resolution actions and documentation of the complaint management computer systems are adequate and complete.

k. In the event fraud or wrong-doing is suspect, inform the local Office of Counsel.