

DLMSO

September 23, 1997

MEMORANDUM FOR: DISTRIBUTION

SUBJECT: Approved Defense Logistics Management System (DLMS) Change 4, Revised Procedures for Discrepant Packaging (Supply/SDR)(Staffed as Proposed Change 16)

Approved Change 4 to Supply Discrepancy Reporting (SDR) procedures (formerly Report of Discrepancy (ROD)) published in DoD 4000.25-M, DLMS, Volume 2, Chapter 18, and DLAR 4140.55/AR 735-11-2/SECNAVINST 4355.18/AFR 400-54, Reporting of Item and Packaging Discrepancies, as modified under Approved DLMS Change 2, is provided as an attachment. This change supports DoD Stock Readiness Program Guidance and becomes effective upon formal publication.

Addressees may direct their questions to Ellen Hilert, DSN 427-6117 or 703-767-6117, e-mail: ellen\_hilert@hq.dla.mil. Others may direct questions/comments to their Service/Agency designated representative.

/s/

JAMES A. JOHNSON  
Director  
Defense Logistics Management  
Standards Office

Attachment

DISTRIBUTION:  
SDR Focal Points (Primary/Alternate)

cc:  
DLMS Supply PRC  
DUSD(L/MDM)  
JLSC MMA

**Approved DLMS Change 4**  
**Revised SDR Procedures for Discrepant Packaging**

**1. ORIGINATOR:**

**a. Service/Agency:** DLMSO/DLA

**b. Originator:** Ellen Hilert, SDR System Administrator, DLMSO, 703-767-6117, DSN 427-6117, or e-mail: ellen\_hilert@hq.dla.mil.

**2. FUNCTIONAL AREA:** Supply (SDR Procedures)

**3. REQUESTED CHANGE:**

**a. Title:** Revised SDR Procedures for Discrepant Packaging.

**b. Description of Change:** This change revises SDR procedures to support the DoD Care of Supplies in Storage (COSIS) Program within the DoD Stock Readiness Program. Changes include annotating the SDR to differentiate major item discrepancies from secondary item discrepancies, to provide breakouts of repackaging costs to clearly show both labor and materials costs, and to modify distribution of SDRs for vendor shipments.

**c. Procedures:** Make the following changes identified in *bold italic type*. Paragraph numbering and wording differ slightly from the Approved DLMS Change 2, March 11, 1997. To facilitate understanding the entire paragraph effected by the revision is reproduced below.

**Encl 2, Instructions for Preparation of Standard Form (SF) 364, Page 4:**

**A**Item 12    Remarks

General conditions. Use for any supplemental information when the combination of discrepancy codes and action codes needs clarification; when discrepancies need explanation; and when a breakdown of cost to report, in terms of labor ~~man-hours and materials~~, is required. Specific data such as appearance, lot/batch number, manufacture/packaging date, inspector number and inspection date, probable cause of improper packaging, and suggested corrective action should be entered here. Provide

photos where it would assist in determining the cause/validity of the discrepancy/deficiency.

***Packaging Discrepancies Noted at Defense Distribution Depots (DD).  
To ensure proper billing, indicate if the materiel is a major***

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*item, i.e., ships, aircrafts, missiles, ammunition, vehicles, etc. or secondary item, i.e., any item that supports a major item such as reparables, consumables, assembles, etc. Annotate projected or actual costs for labor and repackaging materials. If actual, indicate the date corrective action was completed.*

Information contact. Include name and communication numbers, e.g., DSN and commercial telephone numbers, facsimile number, and e-mail address of the person to be contacted for additional information if different from that entered in item 14a.

For Defense Distribution Depots that mail hard copies. Indicate the type of receipt involved, e.g., a receipt from procurement, a customer return, or a receipt for the retail supply account, etc.

Discrepancies in sealed vendor packs. Enter, if available, the contract number and lot number from the item package and the words "concealed discrepancy found upon opening sealed vendor pack" or cite the appropriate discrepancy code from Enclosure 4.

Special conditions. For shortages or nonreceipt of GSA items shipped via U.S. Postal Service--cite whether all packages shown as shipped in item 5 of GSA or DD Form 1348-1A were received. For medical material requiring refrigeration or frozen storage--cite the information requested on the special instruction sheet which is included with shipments of such material. For classified material--cite whether indications of container tampering were or were not evident; indicate whether a security deviation inquiry may be necessary at the origin.

For Security Assistance SDRs. Cite the specific violation of specification, regulation, packaging instruction or contract.®

**Encl 3, Page 7 (reverse side of form):**

AItem 23      Remarks.

General conditions. Enter any clarification or information necessary for a complete reply. Enter corrective action taken to preclude future packaging discrepancies and/or record the SDR (ROD) disposition/status code as listed in Enclosure 6. This code and applicable narrative may be used rather than marking equivalent boxes for items 19, 20, and 21.

Packaging Discrepancies Noted at Defense Distribution Depots (DD).

*The ICP will annotate the SDR to indicate that DD repackaging is approved or not approved. If the ICP authorizes corrective action, the SDR will also reflect the appropriate funding/ authorization document, e.g. job order number, Military Interdepartmental Purchase Request (MIPR) number, or SF 1080, Voucher for Transfer Between Appropriations and/or Funds, to which the DD may charge the corrective action costs. After completing corrective action, the DD will annotate the actual cost of the work performed, note the date completed, and forward a copy to the ICP for close-out.®*

**Encl 3, SDR (ROD) Distribution, Page 5:**

AE. SDR DISTRIBUTION FOR PACKAGING DISCREPANCIES

1. Contractor/Vendor Shipments

(1) Initial action to (delete: ~~packaging control point having procurement responsibility~~) **Administrative Contracting Office (ACO)**. **When released by the ACO, any required repackaging at Defense Distribution Depots must be directed and reimbursed by the ICP.**

(2) Copy to applicable Contract Administration Office (CAO) (block 10 of DD Form 250, Material Inspection and Receiving Report). When GSA is CAO send to GSA National Customer Service Center (NCSC).

(3) Copy to applicable ICP/IMM. When GSA is IMM send to GSA NCSC marked: IM Copy.

2. Personal Property Shipments. For packaging discrepancies in personal property shipments, send original to Military Traffic Management Command and a copy to the shipping installation transportation officer.

Military Traffic Management Command  
ATTN: MTOP-T-CC  
5611 Columbia Pike  
Falls Church, VA 22041-5050

3. DoD-Directed Shipments. Follow additional Service/Agency specific guidance in subsequent paragraphs.®

**4. REASON FOR CHANGE:** This change is necessary for proper accounting against the Defense Working Capital Fund (formerly the Defense Business Operating Fund) and Direct Appropriation Funds, as well as to break out the reasons for the estimated charges to correct discrepant packaging. Work performed on major items is funded using direct appropriations while secondary items are funded under the Defense Working Capital Fund. To properly evaluate the validity of depot cost estimates, the Inventory Control Points need the depots to breakout the estimated costs for packaging materials and direct labor hours needed to correct packaging discrepancies.

**5. ADVANTAGES/DISADVANTAGES:**

a. **Advantages:** This change will speed the time required to process SDRs by clearly including information that the ICPs need to properly evaluate the validity of proposed costs to correct packaging discrepancies.

b. **Disadvantages:** None identified.

**6. IMPACT:**

a. Requires modification of Service/Agency implementing procedures.

**b. Implementation:**

(1) Implementation is effective upon formal publication.

(2) The above changes are formatted in accordance with the SDR joint publication. Equivalent changes will be incorporated in the DLMS.