



DEFENSE LOGISTICS AGENCY
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IN REPLY
REFER TO

DLMSO

January 9, 2006

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 188, Quality-Related Discrepancies Identified During Distribution Depot (DD) Receipt and In-Storage Screening (Supply/SDR/SQCR) (Staffed as PDC 190)

The attached change to DOD 4000.25-M, Defense Logistics Management System (DLMS) and DLAI 4140.55, AR 735-11-2 SECNAVINST 4355.18A, AFJMAN 23-215, Reporting of Supply Discrepancies, is approved for implementation. This change is scheduled for implementation in the January-February 2006 timeframe.

Addressees may direct questions to the Defense Logistics Management Standards Office points of contact, Ms. Ellen Hilert, Chair, Supply Process Review Committee, 703-767-0676, DSN 427-0676, or e-mail: Ellen.Hilert@dla.mil

A handwritten signature in blue ink, appearing to read "Donald C. Pipp".

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:
SDR Committees (U.S. & SA)
ADUSD(L)SCI
DOD Product Quality Report Administrator

ADC 190
Quality-Related Discrepancies Identified During DD Receipt and In-Storage Screening

1. ORIGINATOR:

a. Service/Agency: Defense Logistics Agency

b. Originator: DLA/J-3731, phone: DSN 427-2527 / Commercial 703-767-2527

2. FUNCTIONAL AREA: Primary: Supply/SDR

3. REFERENCE:

a. DLAI 4140.55/AR 735-11-2/SECNAVINST 4355.18a/AFJMAN 23-215, Reporting of Supply Discrepancies

b. The guidance for submission of Storage Quality Control Reports (SQCRs) is joint publication: DLAI 4145.4/AR 740-3/AFJMAN 23-231/NAVSUPINST 4400.100/ MCO 4450.15, Stock Readiness, at http://www.dla.mil/dlaps/dlai/i4145_4/i4145.4_file1.htm.

4. REQUESTED CHANGE:

a. Title: Quality-Related Discrepancies Identified During DD Receipt and In-Storage Screening

b. Description of Change: This change defines reporting of quality discrepancies during receipt and storage when DOD material owners specifically request screening from Defense Distribution Depots (DD). This proposal documents ongoing usage of dual definitions for Q-series discrepancy codes which are currently implemented in DLA systems and requests assignment of new Q-series discrepancy codes which will be applicable for stock screening discrepancy reporting to Components via SDR and SQCR. The objective is to transition away from dual use codes which conflict with standard Security Assistance SDR definitions and adopt new codes as described below. Subsequent to proposal staffing, this change was updated to include SDRs resulting from a redistribution order (Type R) approved under ADC 184.

c. Background:

(1) Many material owners have special programs requiring immediate visibility and notification when quality deficient, or potentially quality deficient, material is shipped or returned to the DD. The DD may also receive requests from material owners to perform special Care of Supplies in Storage (COSIS) inspections and prepare DD Form 1225, Storage Quality Control Reports, to identify quality-related concerns for material in storage. Some of the specific programs which currently require reporting of quality-related concerns for new receipts, customer returns, or material in storage, include, but are not limited, to: PQDR exhibits,

Customer Returns Improvement Initiative (CRII) items (defined below), Critical Safety (CSI) items, and items that failed under use, and First Article Testing.

(a) Customer Returns Improvement Initiative Program (CRII). The CRII program was established in August 1997 by the Headquarters, DLA, to reduce the likelihood that DLA depots received nonconforming returned assets. Items having a history of past customer complaints were selected for inspection and testing. Quality assurance specialists, responsible for ensuring that products conform to established technical requirements, provide specific instructions to depot personnel to identify failed specifications reported by customers. As of May 2000, the Agency's Defense Supply Centers listed over 5,700 potential assets subject to screening procedures if received as customer returns. This program was established at three Defense Supply Centers and two DLA primary distribution sites or prime depots: San Joaquin, California, and Susquehanna, Pennsylvania.

(b) Critical Safety Item (CSI). This program screens for items deemed critical by the Military Services in varying categories: mission critical, flight safety and personal safety. Non-conforming and/or premature failure of these parts can cause mission failure, loss of equipment and/or loss of life. A CSI CRI is an item (part, assembly, installation, or production system) that, if missing or not conforming to the design data, quality requirements, or overhaul and maintenance documentation, would result in an unsafe condition per the established risk acceptance criteria. The determining factor in CSIs is the consequence of failure, not the probability that the failure or consequence would occur. For the purpose of this functional process "Critical Safety Item," "Flight Safety Critical Aircraft Part," "Flight Safety Part," and "Flight Safety Critical Part" are all synonymous.

(c) First Article Testing (FAT). This program screens for new procurement items requiring FAT and approval. FAT involves evaluating a contractor's initial, preproduction, sample model, or lot to ensure the contractor can furnish a product conforming to all contract requirements.

(2) SDRs and SQCRs are used to report quality issues for material based upon material owner request. When requested, the special receipt restrictions screen in the Distribution Standard System (DSS) is used to trigger SDRs during receipt. Special inspection requests and receipt restriction screen requirements must be very specific and identify the NSN and specific required actions which the material owner expects the DD receiving or storage personnel to perform or report.

(3) Under DLMS, the SDR is reported electronically by the DD via DLMS 842A/W, Standard SDR. This may be converted to unique Component formats or forwarded via email depending upon the level of DOD WebSDR implementation. The SQCR is reported electronically via a DLMS 842S/Q to DLA ICPs. Component ICPs receive a manual faxed/ e-mail report until such time as DOD WebSDR is expanded to provide electronic e-mail notification. Component modernization systems are expected to adopt use of both 842 formats. Explanation of the new Q-series codes is provided below each code/definition. Usage is based upon the document type code as reflected in the DLMS 842 as follows:

Document Type Codes

DD Form 1225 - Storage And Quality Control Report	5
SDR - Customer Originated, Direct Vendor Delivery	6
SDR - Customer Originated, Depot Shipment	7
SDR - Depot Originated, Depot Receipt From Non-Procurement Source	8
SDR - Depot Originated, Vendor Delivery To Depot	9
SDR- Redistribution Order	R

d. Procedures: Revise DLMS, SDR, and SQCR guidance to assign new Q-series discrepancy codes to identify receipt and in-storage screening reporting of quality deficient material or potentially deficient material using the SDR or SQCR process. Revise applicable guidance to reflect dual use of current Security Assistance (SA) Q-series discrepancy codes until such time as DLA systems are updated to reflect new codes. Dual use of Q-series codes is already implemented within DLA systems. Revisions are identified in ***bold italics***.

PRODUCT QUALITY (ITEM) DEFICIENCY (SECURITY ASSISTANCE ONLY)

Q1	Product quality deficiency
Q2	Quality deficiency, contractual noncompliance
Q3	Design deficiency, item requires change in design
Q4	Contracting deficiency, specification and/or technical data deficient
Q7	Safety hazard
Q8	Latent defect

QUALITY DEFICIENCY RECEIPT/STOCK SCREENING (DISTRIBUTION DEPOT ONLY)*

Q1/Q11 Returned or stock screen item, PQDR exhibit deficiency

[Used by the DD to notify the source of supply (SoS) electronically of receipt of a customer return or stock screened item (Document Type 8) or (Document Type 5) of a PQDR exhibit item. For SQCRs, the Q1 discrepancy is requested by an ICP when he sends a stock screen letter to a depot to have specific material inspected in storage where the ICP has linked problems identified on a PQDR exhibit to potential problems on similar material that is already in storage at the depot(s).]

Q2/Q22 New procurement receipt, customer return, redistribution order or stock screen item quality deficiency, contractual noncompliance

[Used by DD to notify the SoS electronically of receipt of new procurement (Document Type 9), customer return (Document Type 8) or stock screened item (Document Type 5) for a quality deficiency, resulting from a known previously identified contractual noncompliance.

Q3/Q33 Returned, redistribution order, or stock screened item suspected material deficiency (DLA CRII items only)

[Used by DD for DLA CRII items to notify the SoS of receipt of customer return or stock screen items (Document Types 8 and 5)]

Q4/Q44 New procurement receipt, customer return, redistribution order or stock screen item contracting deficiency, for specification and/or technical data deficient

[Used by DD to notify the SoS electronically of new receipt, customer return or stock screen items, (Document Types 9, 8 and 5) identified for contracting deficiency, for specification and/or technical data deficiencies. Q4 discrepancy code is used by the depots per ICP instruction to identify contracting deficiencies on material where the deficiency is not the contractor's fault. The product is inappropriate for distribution to the customer, and the ICP wants to further clarify that the problem is the result of a bad or wrong specification that was given to the contractor.]

Q7/Q77 New receipt, customer return, redistribution order or stock screen item identified as a Critical Safety Item (CSI)

[Used by the DD to notify the SoS electronically of new receipt, customer return or stock screen items (Document Types 9, 8 and 5) identified as CSI material.]

Q5/Q55 = Item under investigation

[Used by the DD to notify the SoS of stock screen items (Document Type 5) identified by SoS as under investigation. The ICP sends a stock screen letter requesting depots to use Q5 discrepancy code to prepare the SQCR to identify inspection of material in storage where an investigation has not been completed. The ICP is requesting the depot to provide specific results of the inspection per requirements on the stock screen letter.]

Q6/Q66 = Customer return or stock screen item failed under use

[Used by the DD to notify the SoS of stock screen items (Document Type 5) for material identified by SoS that has failed under use. The ICP sends a stock screen letter with instructions to the depots to inspect and report on specific stock in storage that meets the same criteria as similar items where the ICP has received reports (PQDRs) that identify that the items have failed under use.]

Q9/Q99 = New receipt item received for "First Article Test"

[Used by DD to notify the SoS of the receipt of new procurement (Document Type 9) "First Article Test" material. "First Article Test" items will be identified by receipt documentation (i.e. DD250) and special package markings.]

**** The code list for this category identifies both the dual use two-digit code for interim use and the proposed three-digit code to be used after transition.***

5. REASON FOR CHANGE:

a. This proposed change documents a proven successful process currently in use by the DD and DLA ICPs. DLA has successfully used the SDR process at receipt and the SQCR process in storage for many years to report quality deficient or potentially deficient material to DLA ICPs. This process has been very successful and effective in helping DLA ICPs to track and identify quality deficient and potentially quality deficient material when it is received or

discovered in storage at the DD and ultimately to ensure that defective or potentially defective material does not get shipped to our customers. The advantages of using the above codes to identify quality discrepancies during the receiving SDR and the storage SQCR processes have improved customer support and given DLA ICPs the all important visibility of deficient and potentially deficient material when it is received or discovered in storage at the DD and helped to keep deficient material out of the supply chain.

b. Other material owners may also choose to use this process to assist in tracking returns of quality deficient/potentially deficient material to DDs. However, use of the above quality discrepancy codes are only applicable for use when authorized by specific instructions from the material owner to be identified on the DSS receipt inspection screens or by special authorization letters.

6. ADVANTAGES AND DISADVANTAGES:

a. Advantages: This process improves visibility and tracking of quality deficient of potentially quality deficient material as it is returned to the DD or discovered in storage to ensure that defective or potentially defective material is kept out of the DOD supply chain. Electronic notification allows the SOS an avenue to provide disposition instructions electronically to the DD.

b. Disadvantages: Dual use codes may cause confusion during interim period if received outside DLA.

7. IMPACT: This change impacts processing of SDRs between DAAS/WebSDR, ADRS/DSS, DLA ICP systems (BSM and SAMMS) and other Mil Service ICP systems if they use available DSS receipt restriction screen capabilities. These codes and definitions will be carried in DOD WebSDR generated transactions and emails and will apply to future enhanced automation of the SQCR under DLMS. This change does not alter DOD procedures applicable to Product Quality Discrepancy Reports.

a. DOD WebSDR: The new codes will not be displayed in the DOD WebSDR drop box for SDR/SDR reply input because these codes can only be initiated from the Distribution Depot. WebSDR email messages will display the appropriate text title with the three-position Q codes (no dual codes to be employed in WebSDR).

b. Reference 3.a., above, will be modified to reflect the appropriate text title with the three-position Q codes - no dual codes to be employed in the publication. A new section will be added to the procedures portion of the publication to reflect information described above.