



DEFENSE LOGISTICS AGENCY
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IN REPLY
REFER TO

DLMSO

JAN 09 2007

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 222, Discrepancy Disposition/Status (Reply) Code Revisions (Supply/SDR) (Staffed by PDC 231A)

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 effective February 15, 2007.

Addressees may direct questions to the Defense Logistics Management Standards Office point of contact, Ms. Ellen Hilert, Chair, Supply Process Review Committee, 703-767-0676, DSN 427-0676, or e-mail: Ellen.Hilert@dla.mil or Mr. Robert Hammond, 703-767-2117, DSN 427-2117 or e-mail: Robert.Hammond@dla.mil. Others must contact their Component designated representative.

A handwritten signature in blue ink that reads "Donald C. Pipp".

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:
SDR Committees (U.S. & SA)
DUSD (L&MR) SCI

ADC 222
Discrepancy Disposition/Status (Reply) Code Revisions

1. ORIGINATOR:

- a. **Service/Agency:** Defense Logistics Agency
- b. **Originator:** DLA/J-3751, telephone: DSN 427-2527 / Commercial 703-767-2527

2. FUNCTIONAL AREA: Primary: Supply/SDR

3. REFERENCES:

- a. DOD 4000.25-M, Defense Logistics Management System (DLMS)
- b. DLAI 4140.55/AR 735-11-2/SECNAVINST 4355.18a/AFJMAN 23-215, "Reporting of Supply Discrepancies"
- c. DLMSO Memorandum, March 14, 2005, subject: Approved DLMS Change (ADC) 144, SDR Transaction Exchange Business Rules
- d. DLMSO Memorandum, October 3, 2006, subject: Proposed Defense Logistics Management System (DLMS) Change (PDC) 230, Passive Radio Frequency Identification (pRFID) Discrepancy Codes (Supply/SDR)

4. REQUESTED CHANGE:

- a. **Title:** Discrepancy Disposition/Status (Reply) Code Revisions
- b. **Description of Change:** This change modifies and adds Disposition/Status Codes available for use in SDR replies. Revisions are identified in *bold/italics*. Assignment of these codes within SDR transactions must be recognized by automated SDR applications.
- c. **Background/Issue 1:** A DLA-J37/DDC review of the response codes updated under ADC 144 (reference 3.c.) revealed a requirement to split Reply Code 126 into two separate codes to improve clarification of response information for customers.

Current definition of Reply Code 126, Stock not available for reshipment. Your requisition has been reinstated and will be placed on backorder, identifies two different operations/processes. For DOD-owned material shipments shipped from a Distribution Depot (DD) the two different operations/processes are for the most part accomplished by two completely different organizations/authorities. For example, when a DD is the shipper of the DOD/DLA owned material, the depot would in most cases receive an SDR for action on a shortage or wrong material shipment. The shipping depot is responsible for the accountable inventory record accuracy and is responsible as the shipper to investigate/respond to the SDR. If a customer requests a reshipment of correct quantity, correct item(s), the depot after performing an inventory may find that they do not have sufficient quantity of the correct

material available to ship. The depot is then required to respond on the SDR using Reply Code 126 to notify the customer that “stock is not available for reshipment”. However, the storage and shipping depot does not have the authority or the systemic capability to “reinstate a customer requisition or place it on backorder” (this is the second sentence of response code 126). Only the ICP has the authority and ICP system capability to “reinstate a requisition or place the requisition on backorder”.

Therefore, the DD needs to use Reply Code 126 to notify customers that “stock is not available for reshipment”, but use of Reply Code 126 is misleading to customers, as the second sentence indicates the shipping depot can perform a process that it cannot perform.

d. Background/Issue2: At times, new information becomes available resulting in the need to send an updated reply to the customer after the SDR had been completed/closed. There is no way to systemically identify the replacement or revised reply. A new reply code would provide an easy way to indicate this for both customer and application.

e. Procedures:

(1) To eliminate misinformation to our customers on this response, recommend changing the definition of the existing Reply Code 126 and adding a new response code relating to requisition reinstatement and backorder processing. These changes will provide action activities with an option to use the individual reply codes separately or use together as two separate authorized responses when applicable.

(2) In addition, a new code to identify corrected or revised replies should also be available for action activities. This code will be used when a closed or completed (meaning response already provided by the action activity) SDR is reopened or reconsidered as a result of a formal customer request for reconsideration; as a result of new findings during action activity review/investigation; or as a result of a mistake requiring a corrected reply.

(3) Recommend changes to the reply code list as below. A complete list of codes is shown at the enclosure with minor updates to the reference 3.b. Corresponding changes are recommended for reference 3.a., including the DLMS Dictionary data element, “Discrepancy Status or Disposition Code.”

Revise existing code:

126..... Stock not available *or will not be reshipped in response to SDR.*

Add a new codes:

Code

150..... *Your requisition will be reinstated and placed on backorder.*

151..... *Replacement/revised disposition/status; prior response is superseded.*

932..... *Transaction rejected. Missing or invalid wrong item information.*

(4) Update reference 3.b. (extract provided):

4. Action Activity Response to an SDR

Disposition:

(1) The reverse side of the SF 364 or electronic/automated response will be used to provide information to the initiator and as an action reply for discrepant conditions. For Service ICP directed shipments, the ICP is responsible for providing an SDR reply to the submitter, except as such responsibility has been specifically delegated to the shipping depot by the ICP. Where the SDR response is delegated to the shipping depot, a copy of the reply shall also be furnished to the ICP which directed shipment. ~~If acceptable to the U.S. Government submitter only, a verbal response is considered adequate when supported by an automated discrepancy reporting system.~~

(2) ***The action activity shall cite the appropriate disposition/status (reply) code as provided in Enclosure 6, and, when using hard copy, annotate the SF 364 using the appropriate blocks.*** The response will indicate the appropriate disposition, to include acknowledgement of the receipt, disposition of the material (for discrepant conditions requiring disposition instructions to the reporting activity, e.g., overage, receipt of incorrect item), validation of the report with authorization to grant financial adjustment (if appropriate), any instructions for repair or other types of corrective action, e.g., acknowledgment of the report; disposition of the material for those discrepant conditions requiring disposition instructions to the reporting activity, such as, overages or receipt of an incorrect item; validation of the report with authorization to grant a financial adjustment; instructions for repair; or other types of corrective action.

(3) ***The action activity shall identify a replacement or corrected reply using Disposition Status Code 151 to indicate that the previous reply is superseded. This code may be used when a closed or completed SDR (meaning a response was already provided by the action activity) is reopened or reconsidered as a result of a formal customer request for reconsideration; as a result of new findings during action activity review/investigation; or as a result of a mistake requiring a corrected reply.***

5. REASON FOR CHANGE:

a. This proposed change will be used by all DOD organizations responsible for processing SDRs for shipping errors. The new response code/definition will improve customer support by allowing action activities the capability to respond with more accurate information to the customer. This will eliminate misleading response information from shipping activities that are authorized to notify customers that material is not available for reshipment from their storage site, but are not authorized to reinstate a requisitions or place material on back order.

b. This change also adds a reply code for system use to accommodate a common error in which customers report incorrect item receipts without providing material identification for the wrong item.

6. ADVANTAGES AND DISADVANTAGES:

a. Advantages: Improved customer support and clarification of response information. Reply code changes and additions require minimal effort since they are table updates. This method, rather than other more complex ways to identify a replacement or revised reply such as a beginning transaction segment code under DLMS, is recommended.

b. Disadvantages: None identified.

7. IMPACT:

This change proposal will impact processing of Supply Discrepancy Reports (SDRs).

~~TYPICAL ACTION ACTIVITY RESPONSES~~
~~LISTED BY DISPOSITION/STATUS CODE~~
DISCREPANCY STATUS OR DISPOSITION (*REPLY*) CODES

Action activities use the following list of codes to *reply to an SDR*. *Up to three* codes *may* be used on a single report to provide complete financial and material disposition instructions and provide additional information as needed. Codes may be used to replace or supplement preprinted information on the reverse side of the SF 364. These codes are authorized for use in all reporting formats. Where possible, system design should accommodate in-the-clear text for ease of use.

The 100-series codes provide status of financial resolution, material disposition instructions, or other appropriate information. (Note: Codes 104, 107, and 108 have been moved to interim reply grouping.)

- 101 Credit authorized/recommended.
- 102 Credit not authorized. See remarks.
- 103 Discrepancy report receipt acknowledgment.
- 105 Forward material received to address shown. Must use traceable and most economical means available.
- 106 Forward material received to contractor address shown. Must use traceable and most economical means available.
- 110 Disposal authorized in accordance with local procedures.
- 111 Disposal authorized, monetary reimbursement from contractor.
- 112 Disposal authorized, contractor will provide replacement.
- 113 Provide disposal documentation to address shown.
- 114 Provide disposal documentation by date indicated to address shown. Credit will be authorized upon receipt.
- 115 Turn in material received to Defense Reutilization and Marketing Office (DRMO).
- 116 Turn in hazardous material received to Defense Reutilization and Marketing Office (DRMO). MIPR or Bill to DoDAAC provided to cover disposal costs.
- 117 Material will be billed if not returned by date indicated.
- 118 Debit authorized for material retained.
- 119 Retain material received at no charge.
- 120 Retain material with consideration from contractor.
- 121 Retain material without consideration from contractor.
- 122 Retain material for future supply decision.

- 123 Material will be reshipped (provide estimated date of replacement shipment, when known).
- 124 Material is no longer procurable.
- 125 Incomplete part/missing component being forwarded.
- 126 ~~Stock not available for reshipment. Your requisition has been reinstated and will be placed on backorder.~~ ***Stock not available or will not be reshipped in response to SDR***
- 127 Contractor to reship.
- 128 Balance of contract material will not be shipped.
- 129 Reimbursement for repackaging discrepancy cannot be authorized until submitter provides cost for repackaging.
- 130 Place material in stock as is.
- 131 Remark/repackage material and place in stock.
- 132 Inspect and place in depot stock.
- 133 Upgrade material to Condition Code A, correction made by government with reimbursement from contractor.
- 134 Upgrade material to Condition Code A, correction made by government without reimbursement from contractor.
- 135 Documentation/technical data is being forwarded.
- 136 Confirmed canceled requisition shipped.
- 137 Additional comments provided. See remarks.
- 138 Shipment shortage based on pieces, weight, and cube.
- 139 Warehouse denial total shipment.
- 140 Warehouse denial partial shipment.
- 141 Duplicate shipment from stock or procurement.
- 142 Proof of Delivery/Evidence of Shipment not available.
- 143 SDR canceled by submitter.
- 144 Recorded for information only. No action taken.
- 145 No contractor liability found.
- 146 Material return acknowledged.
- 147 Corrected shipment document (DD Form 250) provided.
- 148 Representative will contact you for discussion concerning disposition.
- 149 Material will be picked up in number of days indicated.
- 150 Your requisition will be reinstated and placed on backorder.***
- 151 Replacement/revised disposition/status; prior response is superseded.***

The 200-series codes provide additional information relevant to Security Assistance SDRs.

- 201 Incorrect information provided by U.S. Government contract.
- 202 MAPAD information not current by U.S. Government error.
- 203 Material erroneously returned to U.S. Government stock.
- 204 Overage of Repair and Replace material.
- 205 Shortage of Repair and Replace material.
- 206 Administrative write-off recommended.
- 207 No financial adjustment required. Excess Defense Articles (EDA). Overage not billed.

208 Repaired in-country by contractor or U.S. Government personnel.

The 300-series codes indicate Distribution Depot status on SDRs forwarded to a ~~non-DLA~~ ~~action activity~~ *the owner/manager for action*.

- 301 SDR forwarded for disposition by USA as indicated.
- 302 SDR forwarded for disposition by USAF as indicated.
- 303 SDR forwarded for disposition by USMC as indicated.
- 304 SDR forwarded for disposition by USCG as indicated.
- 305 SDR forwarded for disposition by USN as indicated.
- 306 SDR forwarded for disposition by GSA as indicated.
- 307 SDR forwarded for disposition by DLA as indicated.

The 400-series codes indicate the SDR has been closed for the reason provided.

- 400 SDR closed. Non-compliance with disposition instructions.
- 401 SDR closed. Non-response to additional information request.
- 402 SDR closed. Wrong material returned.

The 500-series (and some 100-series) codes indicate an interim reply.

- 103 Discrepancy report receipt acknowledgment.
- 104 Additional clarification required from customer. See remarks.
- 107 Forward material to address shown for inspection/exhibit analysis. Must use traceable and most economical means available.
- 108 Forward material to contractor address shown for inspection/exhibit analysis. Must use traceable and most economical means available.
- 501 SDR assigned to Defense Contract Management Agency (DCMA) for investigation.
- 502 SDR resolution deferred pending receipt of exhibit.
- 503 SDR currently under investigation.
- 504 SDR forwarded to new action activity as shown.
- 505 SDR under investigation. SDR has been forwarded to activity identified for additional action.
- 506 Item has been transferred to new item manager. Referred to GIM for disposition.
- 507 SDR forwarded to shipping depot for Proof of Delivery.
- 508 SDR forwarded to shipping depot for Evidence of Shipment.
- 509 SDR forwarded to local procurement office for action.
- 510 SDR forwarded to Item Manager for research and/or disposition instructions.
- 511 SDR forwarded to Industrial Operations Command for action.
- 513 SDR forwarded to IL Directorate or Repair and Return Office for research of R&R case.
- 514 SDR forwarded to the packaging specialist for research.
- 515 Procurement/Defense Contract Management Agency awaiting response from contractor. SDR suspended.
- 516 Receipt of material returned by customer has not posted to date. Under investigation.

- 517 Defense Finance and Accounting Service (DFAS) billing information requested.
- 518 Your SDR identifies a transportation discrepancy and is being processed as a Transportation Discrepancy Report (TDR).
- 519 Your SDR identifies a quality deficiency and is being processed as a Product Quality Deficiency Report (PQDR).

The 600-series codes indicate an ICP reply to the Distribution Depot.

- 601 Change supply condition code and submit as new complaint (original complaint cannot be modified to show new supply condition code).
- 602 Item(s) unsuitable; destroy.
- 603 Remark and return to stock.
- 604 Repackage and return to stock.
- 605 Reidentify and return to stock.
- 606 Safety hazard; destroy.
- 607 Safety hazard; dispose.

The 700-series codes indicate SDR rejection:

- 701 SDR rejected. See remarks.
- 702 SDR rejected. Material shipped as requisitioned.
- 703 SDR rejected. Overage/shortage is within contract variation clause.
- 704 SDR rejected. Evidence of shipment/proof of delivery forwarded.
- 705 SDR rejected. Records indicate the inspection or test date or this shelf-life item has been extended to date indicated.
- 706 SDR rejected. Shelf-life not applicable for this item.
- 707 SDR rejected. Acceptable substitute issued for material requisitioned.
- 708 SDR rejected. Material shipped prior to cancellation request.
- 709 SDR rejected. Discrepant quantity shipped after SDR submission.
- 710 SDR rejected. Discrepant quantity on backorder.
- 711 SDR rejected. Material shipped via insured/certified/registered mail. Request you contact local postal authority to verify delivery of material.
- 712 SDR rejected. Submit offer of material under material returns program.
- 713 SDR rejected. Discrepancy does not meet required minimum dollar value.
- 714 SDR rejected. Billing adjustments may not be requested on a SDR (except SA). Contact local finance office.
- 715 SDR rejected. Discrepancy not reported within required timeframe.
- 716 SDR recorded for information and possible corrective action.
- 717 SDR identifies a carrier discrepancy. Resubmit as a Transportation Discrepancy Report (TDR).¹
- 718 SDR identifies a quality deficiency. Resubmit as a PQDR.¹
- 719 SDR rejected. Duplicate of previously submitted SDR.

¹ Use of this code is discouraged. Every effort should be made to process the discrepancy report and resolve the situation without requiring the initiator to resubmit. See preferred codes 518 and 519.

The 800-series codes provide additional rejection notices relevant to Security Assistance SDRs:

- 800 SDR rejected. No U.S. Government liability.
- 801 SDR rejected. No billing discrepancy exists.
- 802 SDR rejected. Bill reflects pre-positioning costs/non-recurring costs.
- 803 SDR rejected. Bill reflects contract termination charge.
- 804 SDR rejected. Item proven serviceable when shipped (repair & return, exhibits).
- 805 SDR rejected. Freight forwarder tracking system indicates material received. Customer should challenge freight forwarder.
- 806 SDR rejected. Repair/adjustment procedures provided by source.
- 807 SDR rejected. Material shipped to address specified on LOA in lieu of country.
- 808 SDR rejected. SDR does not meet latent defect criteria and is, therefore, beyond the allotted timeframe for submission
- 809 SDR returned without action. Credit cannot be granted since debit billing has not processed. (ILCO use only.)
- 810 Freight forwarder notification not submitted for total nonreceipt.

The 900-series codes are intended for system/application use in processing transactions.

When SDRs are processed manually, these codes may be user assigned as appropriate:

- 901 Transaction rejected. SDR submitted to wrong source of supply. Resubmit to the correct action activity.
- 902 Transaction rejected. Invalid action code for type of discrepancy submitted.
- 904 Transaction rejected. Open suffix must be closed before SDR can be reopened.
- 906 Transaction rejected. Record already closed.
- 907 Transaction rejected. Record closed, canceled, or a final reply has been provided.
- 908 Transaction rejected. Record is currently open and cannot be reopened for reconsideration until closed.
- 909 Transaction rejected. SDR must be reopened for reconsideration before it can be contested.
- 910 Transaction rejected. Missing or invalid document number.
- 911 Transaction rejected. Missing or invalid case designator.
- 912 Transaction rejected. Missing or invalid SDR number.
- 915 Transaction rejected. Missing or invalid type of discrepancy code.
- 916 Transaction rejected. Missing or invalid action desired code.
- 917 Transaction rejected. Missing or invalid discrepant quantity.
- 918 Transaction rejected. Missing or invalid quantity received.
- 920 Transaction rejected. Missing or invalid point of contact name.
- 921 Transaction rejected. Missing or invalid point of contact phone number/email..
- 923 Transaction rejected. Missing or invalid transaction date.
- 924 Transaction rejected. Narrative missing.
- 926 Transaction rejected. No record found.
- 927 Transaction rejected. Missing or invalid disposition/reply code
- 928 Transaction rejected. Missing or invalid condition code.

- 929 Transaction rejected. Missing or invalid DODAAC, MAPAC, or Routing Identifier
- 930 Transaction rejected. Missing information associated with disposition/reply
- 931 Transaction rejected. Missing or invalid material identification.
- 932 *Transaction rejected. Missing or invalid wrong item information.***