



**DEFENSE LOGISTICS AGENCY
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September 9, 2014

**MEMORANDUM FOR SUPPLY AND SUPPLY DISCREPANCY REPORT (SDR) PROCESS
REVIEW COMMITTEE (PRC) MEMBERS**

SUBJECT: Approved Addendum to Approved Defense Logistics Management Standards (DLMS) Change 1044A, Clarification of Business Rules associated with Supply Discrepancy Report (SDR) Replies for Status Update and Completion Notification (Supply/SDR)

The attached change to DLM 4000.25, Defense Logistics Management System, is approved. This change is effective upon approval. Delayed implementation will be authorized for DLA termination of completion notices for selected SDRs requiring no action by the owning activity.

Addressees may direct questions to Ms. Ellen Hilert, DOD SDR System Administrator, 703-767-0676 or DSN 427-0676, e-mail: ellen.hilert@dla.mil; others must contact their Component designated Supply PRC representative or SDR PRC representative available at: <https://www2.dla.mil/j-6/dlms0/CertAccess/SvcPointsPOC/allpoc.asp> (DOD common access card restricted).

A handwritten signature in black ink, appearing to read "Donald C. Pipp", is positioned above the typed name.

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment
As stated

cc:
ODASD (SCI)

Attachment to ADC 1044A
Clarification of Business Rules associated with SDR Replies
for Status Update and Completion Notification

1. ORIGINATING SERVICE/AGENCY

a. REQUESTING SERVICE/AGENCY: DLA, DLA Land and Maritime-BAOA, DSN 850-4631

b. TECHNICAL POC: DLA Logistics Management Standards, Ms. Ellen Hilert, DOD SDR System Administrator, e-mail: Ellen.Hilert@dla.mil

2. FUNCTIONAL AREA: Supply/DOD WebSDR

3. REFERENCES:

a. ADC 1044, Enhanced Interim Supply Discrepancy Report (SDR) Reply Capability, Status Update, and Completion Notification, dated January 22, 2013

b. Defense Logistics Management System Manual, DLM 4000.25, Volume 2, Chapter 17, available at: www.dla.mil/j-6/dlms/eLibrary/manuals/dlm/dlm_pubs.asp

4. Brief Overview of Change: This addendum supplements ADC 1044 and provides updates to published procedures. The purpose of this change is to clarify business rules associated with ADC 1044. It defines use of the completion notice and status update as implemented by DLA Distribution Centers for SDRs prepared by the storage activity. It expressly states that completion notices are not applicable to information only SDRs and may not be used to revise SDR data content. Substantive updates subsequent to proposal staffing are identified by **green highlight**.

a. Background:

(1) ADC 1044 was established to enhance communication between storage activities and Component owner/manager SDR systems. After implementation it became apparent that the language in the ADC needed clarification. The ADC documented specific situations and how the completion notice or status update would be used in each. It was not apparent to all trading partners that the completion notice was planned for use in all SDRs generated by Distribution Centers.

(2) Although not documented in the ADC 1044, the DLA Distribution Standard System (DSS) prepares a completion notice for every SDR created by the storage activity. This includes SDRs provided for information only and requiring no reply. These completion notices are system-generated instantaneously upon creation of the transmission of the SDR and are included

in the same batch requiring special processing within WebSDR. Since information only SDRs are defined by DLMS guidance as not requiring further action by the submitter and are considered “auto-closed” in the originator’s system, it is unnecessary to also provide a completion notice. While the storage activity may consider various action codes to be “informational,” because the SDRs are closed immediately after transmission without awaiting action activity response, this guidance only applies to SDR action codes with a specific definition indicating they are provided for information only, corrective action, and trend analysis and no reply is required, i.e., SDR Action Codes 1H (No action required; information only) or 3B (Discrepancy reported for corrective action and trend analysis; no reply required). The second transaction indicating completion/closure adds to the volume and processing time for transactions processed by WebSDR without adding any value. The SDR Administrator had no prior knowledge of this usage and asked that it be terminated immediately after ADC 1044 implementation.

(3) During development of the procedures there were two different time standards discussed for follow-up on SDRs prepared by the storage activity for receipt of counterfeit materiel/unauthorized product substitution (CM/UPS) materiel. The SDR System Administrator recommended that DLA reduce the proposed 12 month standard to 6 months. However, the original design and programming within the DLA Enterprise Business System (EBS) and the DSS were based upon the 12 month standard proposed by DLA to accommodate the extended period for which CM/UPS are often suspended for investigation. Due to a miscommunication, the published version of the ADC carried both time standards causing confusion. Rather than require a programming change in both systems, the published guidance will be revised to show only the 12 month follow-up time standard.

b. Approved Change in Detail:

(1) The following procedures were implemented in conjunction with ADC 1044 (Reference 3.a.) and are documented here for clarification:

(a) When the materiel owner needs to request more information, an SDR reply using Transaction Set Purpose Code 11 is sent to the SDR submitter with a Reply Code 104 (additional clarification required). Remarks text is required and must clearly explain the additional information that is needed. The SDR submitter will use the new status update functionality to reply using Transaction Set Purpose Code SU with Reply Code 321 to provide additional information that was requested.

(b) The Transaction Set Purpose Codes CN (Completion Notification) and SU (Status Update) will always originate from the submitter and are sent to the materiel owner/manager. The Party to Receive Copy (PK) functionality should not normally be used with the CN or SU transactions. The CN and SU is a direct communication between the originating/submitted storage activity and the materiel owner. Processing or generating information copies outside the originating and receiving system is unnecessary and could result in the generation of non-actionable and/or confusing transactions.

(c) Transaction Set Purpose Codes CN and SU cannot be used to change any data elements used on the original SDR or a subsequent correction. If necessary, the process used by

the submitting activity to change a data element is a correction identified by Transaction Set Purpose Code CO. ADC 1044 did not change this process.

(d) Subsequent to the receipt of disposition instructions, the storage activity may close the SDR due to no materiel associated with the SDR. Additional clarification is provided for the scenario resulting in a completion notice with Reply Code 411 (SDR closed due to zero balance on record). For DLA Distribution Centers, the automatic closure with the Reply Code 411 happens daily when DSS checks for quantity-by-location (QBL) balances. The SDR remarks are a generic system-generated statement. These closures may not result in a stock readiness investigation, since this happens automatically by the system. The closure will only occur when there is zero balance in ALL condition codes, regardless of the SDR quantity and condition code. This generally results when a materiel release order/disposal release order was already successfully processed for the stock number originally reported as discrepant, leaving zero balance on record. The storage activity is, therefore, unable to accomplish the disposition instructions and the SDR is closed.

(2) This change revises SDR procedures to clearly indicate circumstances where a completion notice does not apply.

(a) When the submitting activity receives disposition from the materiel owner and disposition is completed successfully, a completion notice reply is sent to the materiel owner using Transaction Set Purpose Codes CN with a Reply Code 410 (SDR closed. Disposition action complete.).

(b) Under selected scenarios, the storage activity may provide a completion notice without a response from the owner/manager. This may occur when the storage activity indicates discrepant materiel is being retained and the SDR is automatically closed by the originator or originating system immediately after transmission of the SDR. SDR Action Codes 1B (Materiel being retained) and 1G (Reshipment not required; item to be re-requisitioned) apply. A completion notice will be provided.

(c) A completion notice is not applicable to SDRs provided for information only since they require no disposition from the owner/manager and are automatically closed by the storage activity. Completion notices will not be provided for SDRs specifically indicating no reply is required as identified by Action Code 1H (No action required; information only) or 3B (Discrepancy reported for corrective action and trend analysis; no reply required).

(d) The completion notice remains applicable for all other SDR action codes.

c. **Revisions to DLM 4000.25 Manuals:** Revise DLM 4000.25 Volume 2, Chapter 17 as shown.

(1) Revise interim reply guidance:

“C17.3.12.1.2.1.1. For suspected CM/UPS, the ICP/IMM may use interim Reply Code 520 (SDR materiel undergoing test/evaluation) to indicate that materiel may be suspended for an extended period of time. Upon receiving the Reply Code 520, the storage activity will limit systemic follow-up requests to once every ~~6~~ **12** months. There will be no limit on the follow-ups

allowed. Once the investigation is complete, final disposition will be provided by the ICP/IMM to the storage activity.”

(2) Revise status update guidance:

“C17.3.12.1.2.2. Status Updates.⁸ Status updates (Transaction Set Purpose Set Code SU) are a unique form of reply prepared by the activity that submitted the SDR in response to the action activity. This type of transaction goes directly to the identified recipient without being copied to other parties, except to specifically identified copy recipients identified in the transaction. It is used by the storage activity to provide a status update to the ICP/IMM, often in response to an interim reply requesting clarification of the discrepancy. Using the status update format the SDR may engage in a two-way communication with the action activity. ***The status update may not be used to modify originally reported SDR data elements.*** The status update may also be used to send research findings/ recommendations to the ICP/IMM (Army directed shipments only).

⁸ ***Refer to ADC 1044A Clarification of Business Rules associated with SDR Replies for Status Update and Completion Notification.***”

(3) Revise completion notice guidance:

“C17.3.12.1.2.4. Completion Notification.⁹ A completion notification, identified by Transaction Set Purpose Code CN in the SDR reply, will be used by the storage activity to communicate with the ICP/IMM that final action has been taken on an SDR requiring a materiel disposition action. This is equivalent to indicating that the storage activity has closed the SDR. The receiving SDR system may close the SDR as well or keep it open for additional actions. ***Submission of a completion notice is appropriate for all SDRs prepared by the storage activity, with the exception of those clearly identified as being provided for information only and requiring no action activity reply (SDR Action Codes 1H or 3B only). The completion notice may not be used to modify originally reported SDR data elements.*** It may be provided in the following specific situations and will be available for additional use as needed.”

C17.3.12.1.2.4.1. The storage activity will use a completion notification to inform the ICP/IMM that all action is complete using Reply Code 410.

C17.3.12.1.2.4.2. ***Under selected scenarios, the storage activity may provide a completion notice without a response from the owner/manager when the SDR is automatically closed immediately after transmission. SDR Action Codes 1B (Materiel being retained) and 1G (Reshipment not required; item to be re-requisitioned) apply. A completion notice will be provided using Reply Code 410.***

C17.3.12.1.2.4.2. The storage activity will prepare a completion notification to notify the ICP/IMM that the SDR has been closed due to zero balance on record. ***This will not result in an investigation as it is generally the result of processing a release order during the interim period after the SDR was prepared and prior to execution of the disposition instructions.*** The ICP may close the SDR due to the materiel no longer being available. If SDR is a Document Type 9, then the ICP must take further action to locate new procurement materiel.

C17.3.12.1.2.4.3. The storage activity will use a completion notification to inform the ICP/IMM that materiel disposition could not be completed due to zero balance at storage location using Reply Code 412 and clarifying remarks. The ICP may close the SDR due to the materiel no longer being available. If the SDR is a Document Type 9, the ICP must take further action to locate the new procurement materiel.”

d. **Transaction Flow**: No changes to SDR transaction flow identified.

e. **Alternatives**: None identified.

f. **Staffing Response to PDC 1044A**:

	Originator	Response/Comment	Disposition
1.	Army	The Army SDR community concurs, but must note that LMP will be unable to process reply transactions in the near future. A secondary Change Request was required to be submitted for this functionality as it was deemed out of scope for the DLMS compliant Change Request that is currently in process.	Noted.
2.	Navy	Navy has no comment.	Noted.
3.	DLA	Concur. DLA Distribution: Just for clarification, PDC 1044A states that "CN" (with 144 reply codes) won't be sent on SDRs with a "1H" action code. But we can still send "CN" (with 144 reply codes) for action codes: 1B, 1G, 3B?	Noted. Although initially documented to terminate completion notices applicable to SDRs identifying Action Code 1H, the final version also terminates completion notices applicable to Action Code 3B. Also, completion notices for Action Codes 1H and 3B will need to be discontinued AFTER EBS makes the program change on their side, since they still need the CN to close out the SDR record; this will have a delayed implementation. The DLM is updated to clarify that SDRs with Action Code 1B and 1G will be closed without waiting for a reply.
4.	Air Force	Concur.	Noted.

	Originator	Response/Comment	Disposition
5.	Marine Corps	Concur.	Noted.
6.	USTRANSCOM	Abstain. There is no impact to USTRANSCOM systems based on this change.	Noted.
7.	DLMSO	The intent is to eliminate the high volume of unnecessary SDR transaction transmission for completion notices for SDRs which are automatically closed by the originator when this intent is clear from the action code designation of information only or indicates that no reply is required. Initially, the procedures were written to apply to Action Code 1H, but upon further consideration, this same principle is applicable to Action Code 3B. Action Code 3B has high volume use by the Consolidation and Containerization Points (CCP) and is specifically designed to auto-close by the originating system with no reply from the owner/manager.	ADC updated to include Action Code 3B.

5. REASON FOR CHANGE: This change is provided to expand and clarify DOD WebSDR business rules associated with ADC 1044 providing visibility to all trading partners and improving SDR guidance.

6. ADVANTAGES AND DISADVANTAGES:

a. Advantages: Provides clear business rules and supporting system enforcement of the rules and ensures all SDR submissions remain DLMS compliant.

b. Disadvantages: None identified.

7. ADDITIONAL COMMENTS TO CONSIDER:

a. The DLA EBS is currently dependent upon the DLA DSS transmission of a completion notice for information only SDRs in order to trigger closure of these SDRs in EBS. Therefore, DSS cannot terminate transmission of completion notices for information only SDRs until EBS is modified to systemically close these records (without a subsequent completion notice).

Staffing Note: Alternative procedures must be available for systemically closed information only SDRs ensuring that they are monitored periodically and used for trend analysis and determination of corrective action.

b. Pending systemic implementation of status updates and completion notices by the receiving Service/Agency SDR system, DOD WebSDR will suppress transmission of storage activity completion notices with a positive response (Reply Code 410). Only negative responses indicating the requested disposition could not be accomplished will be transmitted. This is to reduce the high volume of transactions, particularly for users supported by e-mail. Note that DOD WebSDR does provide visibility of all transactions via query.

8. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: This change will be effective upon publication of the ADC. Delayed implementation is authorized for DSS termination of completion notices for information only SDRs (Action Codes 1H and 3B). Joint implementation between DSS and EBS is required with the timing for implementation dependent upon EBS modification to remove expectation for unnecessary completion notices.

9. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: Eliminating completion notices applicable to information only SDRs will reduce processing costs.

10. IMPACT:

a. New DLMS Data Elements: There are no new data elements associated with this change.

b. Changes to DLMS Data Elements: There are no changes to data elements.

c. Automated Information Systems (AIS):

(1) DSS must terminate transmission of completion notices for information only SDRs (Action Codes 1H and 3B). All other procedures associated with this change are already implemented.

(2) DLA EBS must be updated to remove reliance on receipt of completion notices for information only SDRs (Action Codes 1H and 3B).

(3) Army Logistics Modernization Program (LMP) and General Services Administration (GSA) VISION requires update to accept transmission of status update and completion notice transactions.

(4) There is no identified impact to the Navy Product Data Reporting and Evaluation Program (PDREP) SDR application.

d. DLA Transaction Services: Upon development of capability to support completion notices via direct WebSDR input for non-DSS storage activities, WebSDR must block creation of completion notices of information only SDRs (Action Codes 1H and 3B).

e. Non-DLA Logistics Management Standards Publications: Component internal guidance may be impacted by updated guidance.