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April 25, 2016

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

**SUBJECT: Approved Defense Logistics Management Standards (DLMS) Change (ADC)  
1169, DLA Distribution Center Denial Scenarios Associated with Product  
Quality Deficiency Report (PQDR) Exhibits (Supply)**

The attached change to DLM 4000.25, Defense Logistics Management Standards, and DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP) is approved for implementation.

Addressees may direct questions to Ms. Ellen Hilert, DOD MILSTRIP Administrator, 703-767-0676 or DSN 427-0676, email: [ellen.hilert@dla.mil](mailto:ellen.hilert@dla.mil), or Ms. Heidi Daverede, DOD MILSTRIP Alternate, 703-767-5111; DSN 427-5111, email: [heidi.daverede@dla.mil](mailto:heidi.daverede@dla.mil), or Mr. Ben Breen, 614-692-2317; DSN 850-2317, email: [benjamin.breen@dla.mil](mailto:benjamin.breen@dla.mil). Others must contact their designated Supply PRC representative available at <https://www2.dla.mil/j-6/dlmso/CertAccess/SvcPointsPOC/allpoc.asp>.

**DONALD C. PIPP**  
Director  
Defense Logistics Management  
Standards Office

Attachment  
As stated  
cc:  
ODASD (SCI)

**ADC 1169**  
**DLA Distribution Center Denial Scenarios Associated with  
Product Quality Deficiency Report (PQDR) Exhibits**

**1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:**

- a. **Technical POC:** DLA Distribution, J4-BC, 717-770-5006
- b. **Functional POC:** Defense Logistics Management Standards Office (DLMSO) J621D, Benjamin Breen, Telephone COMM: 614-692-2317, email: [benjamin.breen@dla.mil](mailto:benjamin.breen@dla.mil).

**2. FUNCTIONAL AREA:**

- a. **Primary Functional Area:** Supply
- b. **Secondary Functional Area:** Materiel Release and Supply Discrepancy Report (SDR)/PQDR

**3. REFERENCES:**

- a. [DLM 4000.25-2](#), Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP)
- b. [DLM 4000.25](#), Defense Logistics Management Standards, Volume 2, Supply
- c. [ADC 245](#), Notification for Distribution Depot (DD) Product Quality Deficiency Report (PQDR) Exhibit Receipt, June 8, 2007.
- d. [ADC 1007](#), New DLMS 842P, Product Quality Deficiency Report (PQDR) Data Exchange and Enhanced Exhibit Tracking via Standard Logistics Transactions, October 1, 2012.
- e. [ADC 1164](#), Revise DLMS 940R Materiel Release and DLMS 945A Materiel Release Confirmation for Carrier Account Data Associated with Directed Return of Discrepant/Deficient Materiel and Procedures for use of the DLMS 940R when Directing Shipment of Discrepant/Deficient Materiel via Supply Discrepancy Report (SDR) Reply, July 10, 2015.
- f. [ADC 353A](#), Revised Procedures for Pre-positioned Materiel Receipt (PMR) and Shipment Status for Retrograde and Directed Discrepant/Deficient Materiel Returns Including Corrected Time Standard for Security Assistance/Foreign Military Sales (SA/FMS) (Supply/SDR/PQDR/TDR Retrograde), August 25, 2010.
- g. [DLM 4000.25-1](#), Military Standard Requisitioning and Issue Procedures (MILSTRIP), Chapter 3, Requisition Processing and Related Actions.

#### 4. APPROVED CHANGE(S):

a. **Brief Overview of Change:** This change approves denial scenarios when a Materiel Release Order or Disposal Release Order identifying a PQDR exhibit cannot be shipped by the DLA Distribution Center because the specified exhibit(s) cannot be located. In support of this denial scenario, this approved change expands the definition of Management Code Q to explain why the denial occurred.

b. **Background:**

(1) Currently, when DLA receives a PQDR from the Military Services there is no policy directing the inventory control point (ICP) to return the PQDR exhibits directly to the vendor. The ICP has the latitude to send the PQDR exhibits from the customer to the vendor or have the PQDR exhibits returned to a DLA Distribution Center, which will result in a receipt notification transmitted via DLMS 842A/W Supply Discrepancy Report (SDR), citing Discrepancy Code Q11 (PQDR exhibit return) and in addition to the DLMS 527R Receipt indicating materiel receipted in Supply Condition Code (SCC) Q (References 3.b. and 3.c.).

**Staffing Note:** This procedure only applies to DLA Distribution Centers receipting PQDR exhibits, however, if Components can implement this process at other storage activities, request they provide this information in response to this PDC.

**DLMSO Staffing Note Response:** DLMSO recommendation is that Components recognize receipt of PQDR exhibits systemically using the receipt transaction and workflow this information to the appropriate personnel (rather than relying on the SDR process). No DOD Components responded to this staffing note indicating intentions to implement this process at other storage activities.

(2) ADC 1007 (Reference 3.d.) established the requirement for the PQDR report control number (RCN) to be recorded in the applicable DLMS transaction (receipt) and for providing a copy of the transaction to the Product Data Reporting and Evaluation Program-Automated Information System (PDREP-AIS). Upon receipt of the transaction, PDREP will notify any other applicable interfacing system via the PQDR II. The identification of PDREP will be accomplished by inclusion of the PDREP DoD Activity Address Code (DoDAAC) as a "Party to Receive Copy" in the transaction for dissemination to PDREP by Transaction Services.

(3) The SDR is used to notify the ICP that PQDR exhibits have been receipted at a DLA distribution center. The DLMS 842A/W SDR is generated for receipt notification. This transaction perpetuates the PQDR Report Control Number (RCN) that was recorded at the time of receipt. The DLA distribution centers will also record the PQDR RCN(s) associated with each SDR on a table within Distribution Standard System (DSS) to ensure the PQDR RCNs are recorded and associated with the materiel reported on the SDR.

(4) Once the determination is made by the ICP to move the PQDR exhibits, the ICP will provide disposition for the materiel on the SDR and at the same time the ICP is required to generate a DLMS 940R Materiel Release Order (MRO)/Disposal Release Order (RDO) (Reference 3.e.) with the PQDR RCNs that were recorded at time of receipt on the SDR.

(5) During discussions with DLA Distribution on perpetuating the PQDR RCN on the MRO/DRO, DLA Distribution identified a gap in the documented procedures for processing a denial when the PQDR RCN on the transaction does not match the DSS PQDR RCN table.

**c. Approved Change in Detail:**

(1) Until DOD Components can implement a systemic solution to provide the PQDR RCN in the DLMS 940R MRO/DRO, the PQDR RCN will be added in the DLMS 940R in the exception data (narrative). This will require the DSS user to read the exception data. However, this will ensure the intended PQDR exhibit is picked for shipment. This will require DLA distribution centers to update internal procedures and possibly provide training

(2) The DLA Distribution Center will record the PQDR RCN at time of receipt and perpetuate the PQDR RCN on the SDR with Discrepancy Code Q11 for receipt notification. The SDR will only be recorded with one PQDR RCN associated with the receipt. If multiple RCNs are received for materiel, each PQDR RCN must have separate receipt transaction and a separate SDR with Discrepancy Code Q11 for receipt notification rated for the different PQDR RCNs. The following steps are the revised procedures for receiving PQDR exhibits:

(a) The PQDR RCN will be recorded on a table within DSS to associate the PQDR exhibits with the SDR.

(b) The ICP makes a determination to move the materiel to a laboratory to have the materiel tested, returned to the vendor for investigation, or to DLA Disposition Services for disposal.

(c) When the ICP provides a MRO/DRO (containing the PQDR RCN or identifying the PQDR RCN within the exception data narrative) to move the PQDR exhibits, DSS will match the MRO/DRO PQDR RCN to the RCN table within DSS.

(d) When DSS ships the materiel, DSS will decrement (remove) the PQDR RCN from the table within DSS upon transmission of the DLMS 945A Materiel Release Confirmation (Reference 3.e.).

**Staffing Note:** When DSS inputs the DLMS 940R MRO/DRO for the Services using the DSS “SMOK” screen process to include PQDR RCN, how would the denial work if DLMS 940R MRO/DRO was generated internally in DSS by “SMOK” process?

**DLMSO Staffing Note Response:** In response to this staffing note DLA Distribution did not provide a response regarding how the denial would process if DLMS 940R MRO/DRO was generated internally in DSS by using the SMOK process. When DLA Distribution implements this ADC, the solution must ensure that the SMOK process addresses any mismatches on the MRO/DRO.

**1.** If DSS receives an MRO/DRO for SCCQ materiel with no PQDR RCN, and there is only a single location at the site (with or without a PQDR RCN), DSS

will immediately drop the pick ticket to that location. DSS will need to update the DOC table to add the RCN that was selected via either manual or systemic allocation.

**2.** If DSS receives an MRO/DRO for SCC Q materiel with no PQDR RCN identified in the specified data field, but there are multiple locations with PQDR RCN(s), DSS will force the MRO/DRO to manual allocation where the operator will have to research the clear text pick notes (from MRO/DRO exception data) in order to determine the correct location to select.

(e) The location and PQDR RCN (if present) will print out on the pick ticket.

(3) Revise the definition for existing Management Code Q for use in denial scenarios when the PQDR RCN in the MRO/DRO does not match in the below scenarios:

(a) Inbound DLMS 940R contains an RCN that does NOT match any of the RCNs on the DSS table at MRO allocation - deny upfront for RCN mismatch.

(b) Inbound DLMS 940R contains an RCN that DOES match an RCN on the DSS table at MRO allocation - Pick record is created - user has pick in workload but RCN in location is not the expected RCN for the pick - user denies at bin face for RCN mismatch.

(c) Upon receipt of the denial the ICP will need to research and resubmit the updated DLMS 940R MRO/DRO or the ICP will need to contact the distribution center offline to resolve the discrepancy regarding the PQDR RCN mismatch.

**d. Revisions to DLM 4000.25 Manuals:**

(1) Revise DLM 4000.25, Defense Logistics Management Standards, Volume 2, Supply, Chapter 4, Requisitioning, and Chapter 16, Disposition Services, as shown in Enclosure 1.

(2) Revise DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP), Appendix 2.6, Management Codes, as shown in Enclosure 2.

(3) Revise DLM 4000.25-1, Military Standard Requisitioning and Issue Procedures (MILSTRIP), Chapter 3, Requisition Processing and Related Actions, as shown in Enclosure 3.

**e. Proposed Transaction Flow:** Following is a typical scenario resulting in a materiel release denial citing Management Code Q:

(1) The source of supply (ICP) directs the PQDR customer to return materiel to a DLA Distribution Center.

(2) The source of supply (ICP) prepares a Prepositioned Materiel Receipt (PMR) for the distribution center citing the PQDR RCN in the Due-in/Advance Receipt /Due Verification, DLMS 527D PMR.

(3) When implemented, the returning activity prepares the Shipment Status Materiel Returns, DLMS 856R(Reference 3.f.). The Shipment Status Materiel Returns will cite the PQDR RCN and Return Type Code Q identifying directed return of quality deficient materiel associated with a PQDR.

(4) The distribution center reports the receipt to the owner via DLMS 527R citing the PQDR RCN. When the PQDR RCN is populated, DSS will systemically identify PDREP by DoDAAC (N45112) to receive an information copy of the receipt.

(5) DSS provides a receipt notification using the DLMS 842A/W SDR for the owner citing the PQDR RCN.

(6) The owner prepares a DLMS 940R MRO/DRO citing the PQDR RCN to direct shipment of exhibit (e.g., to a commercial lab for testing or return to the vendor) or for disposal.

(7) DSS receives the inbound DLMS 940R.

(a) If the RCN does NOT match any of the RCNs on the DSS table at MRO allocation, DSS will generate a DLMS 945A Materiel Release Denial (MILSTRIP legacy DIC A6\_ (normally A61/A6A or A65/A6E)) or Disposal Release Denial (MILSTRIP legacy DIC A6J) for the RCN mismatch citing Management Code Q.

(b) If the RCN DOES match an RCN on the DSS table at MRO allocation, a pick record is created. The user has a pick in workload, but the RCN in location is not the expected RCN for the pick, DSS will generate a DLMS 945A Materiel Release Denial or Disposal Release Denial for RCN mismatch and cite Management Code Q.

(c) If the RCN DOES match an RCN on the DSS table at MRO allocation - Pick record is created - user has pick in workload and the RCN in location is the expected RCN for the pick, DSS creates the DLMS 945A Materiel Release Confirmation.

(8) DSS perpetuates the PQDR RCN to the DLMS 856S Shipment Status when the PQDR RCN is populated, DSS will systemically identify PDREP by DoDAAC (N45112) as an additional status recipient).

(9) DSS will decrement the PQDR RCN from the table within DSS once the PQDR exhibits have been shipped.

f. **Alternatives:** None identified.

**5. REASON FOR CHANGE:** This change will correct the gap when an MRO/DRO is generated by the ICP for materiel that identifies PQDR exhibits by the PQDR RCN but the depot

cannot ship the materiel due to a mismatch between the MRO PQDR RCN and the storage activity record or physical location, resulting in a denial.

## 6. ADVANTAGES AND DISADVANTAGES:

a. **Advantages:** This change will facilitate standardized denial scenarios associated with materiel for PQDR exhibits in DLA Distribution Centers. Standardizing this information will improve recognition and processing of denial scenarios that may occur at DLA Distribution Centers.

b. **Disadvantages:** None noted.

## 7. ADDITIONAL FUNCTIONAL REQUIREMENTS:

a. SDR disposition instructions provided to DLA Distribution Centers on SDR replies requiring the shipment of the discrepant materiel to another location, (e.g., return to the vendor) will precede the DLMS 940R Materiel Release. The DLMS 940R is required to ensure the audit history for the authorized release of this materiel is properly recorded.

b. The DLA Distribution Centers must be able to link the materiel associated with the DLMS 940R MRO/DRO with the specific materiel identified in the SDR. It is not clear if there is a potential for misaligning the intended DLMS 940R MRO/DRO materiel with the applicable SDR since the materiel inventory balance is maintained by stock number and supply condition code regardless of owner. Therefore, multiple PQDR exhibit assets may be stored in the same location in SCC Q for different owners, with different PQDR RCNs. Therefore, DLA Distribution Centers must be able to link the materiel to the DLMS 940R MRO/DRO.

## 8. ESTIMATED TIME LINE/IMPLEMENTATION TARGET:

a. Target date for DLA's Enterprise Business System (EBS) and DLA's Distribution Standard System (DSS) implementation in the DLMS 940RMRO/DRO is 2017.

b. DOD Components are requested to identify target implementation date for Component use of these procedures.

9. **ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE:** Currently DLMSO is unable to quantify this figure.

**Staffing Note:** Request DLA Distribution provide this figure to quantify how often there are mismatches, delays in processing, or man hours spent to resolve this.

**DLMSO Staff Note Response:** DLA Distribution did not provide a savings/avoidance for implementation of this change.

## 10. IMPACT:

a. **New DLMS Data Elements:** None.

**b. Changes to DLMS Data Elements:** Revise DLMS Dictionary/Logistics Data Resource Management System (LOGDRMS) for Management Code Q definition (see Enclosure 2).

**c. Automated Information Systems (AIS):**

(1) **DSS:** System changes will be required to implement the new denial process using Management Code Q.

(2) **Component ICP systems** must be updated to support recognition of the new meaning for Denial Management Code Q.

(3) **Transaction Services:** There are no changes to existing procedures.

**d. Non-DLM 4000.25 Series Publications:** DOD Components should update their internal procedures and training manuals. Potential areas to consider updating are:

- (1) SDR training manual
- (2) stock readiness training manual
- (3) inventory training manual

**11. PROPOSED DLMS CHANGE 1169 STAFFING RESPONSE/COMMENT RESOLUTION:**

	<b>Originator</b>	<b>Response/Comment</b>	<b>Disposition</b>
1.	Army	Concur as written	Noted.
2.	Marine Corps	Concur	Noted.
3.	Air Force	<p>AF concurs with the following comments.</p> <p>1. This process assumes everyone is already well versed in DLMS and has it implemented. Honestly, we probably missed a lot of what they were saying because we haven't been trained yet. (Still trying to work that) When these documents go through the MILS converters, none of this will make it through.</p> <p>2. The only new thing is the "DRD" reject in MILS or "MRD" in DLMS. And since it is not descriptive of the reason for the reject, the ICP has to research the reason why. By not having the fourth position give a reason code (no asset, partial asset availability, invalid RCN) the ICP is still in a do loop. Even without the DLMS conversion, the new DIC/RIC should be</p>	<p>1. Noted.</p> <p>2. There was no intent to suppress the third position of the legacy DIC when generating in DLMS. ADC will clarify that the transaction being prepared by the distribution center is the MRD DLMS 945A/legacy DIC A6_ (normally A61/A6A or A65/A6E) or DRD DLMS 945A/legacy DIC A6J.</p>



	Originator	Response/Comment	Disposition
		<p>published so that C-ICPs can be ready to receive it.</p> <p>3. If the reject code is due to the RCN being a mismatch and DLMS has all this room for data, can there be a way to display what the RCN was in the location? If it was a typo and only one digit mistaken it is a very different thing that a complete error.</p> <p>4. This PDC is applicable to ILS-S. If approved, it will be added to the ILS-S DLMS Compliancy Action Plan and be implemented in ILS-S (NLT FY 2018) in conjunction with ADC1164 - [Revise DLMS 940R Materiel Release and DLMS 945A Materiel Release Confirmation for Carrier Account Data associated with Directed Return of Discrepant/Deficient Materiel and Procedures for use of the DLMS 940R when Directing Shipment of Discrepant/Deficient Materiel via Supply Discrepancy Report (SDR) Reply, July 10, 2015].</p>	<p>3. DLA Distribution stated there is no current requirement to account for the serial numbers/RCNs still in location after the pick is performed.</p> <p>4. This change impacts the ICP system; we believe this proposal falls outside ILS-S functionality. We do not believe ILS-S would be generating the MRO/DRO that results in the denial situation described; the MRO/DRO is expected from the owning ICP (rather than the retail site that shipped the exhibit to the distribution center).</p>
4.	DLA	<p>DLA concurs with the following comments.</p> <p>DLA concurs with PDC 1169 with the following comments:  From the PDC: Once the determination is made by the ICP to move the PQDR exhibits, the ICP will provide disposition for the materiel on the SDR and at the same time the ICP is required to generate an Materiel Release Order (MRO), DLMS 940R (Reference 3.e.) with the PQDR RCNs that were recorded at time of receipt on the SDR.</p> <p>EBS current logic allows for us to create a consignment order to send the exhibit to a test lab, which will create the 940R DLMS transaction to the shipping depot. Embedded in the 940R we have the ability to transmit the RCN for the PQDR exhibit. During creation of the consignment order a field has been created to allow the end user to input the PQDR QN number. EBS logic will take that number and locate the RCN number and embed it into the 940R DLMS transaction.</p>	Noted.

	<b>Originator</b>	<b>Response/Comment</b>	<b>Disposition</b>
5.	Navy	Concur	Noted.
6.	GSA	No response provided	
7.	USTRANSCOM	USTRANSCOM abstains.	Noted.
8.	DLA Distribution	Concur	Noted.

## Enclosure 1, DLMS Manual Revisions

Changes are identified by ***bold red italics*** and strike-through text.

### A. Revise DLM 4000.25, Defense Logistics Management Standards, Volume 2, Chapter 4, Requisitioning, as follows:

*[Preceding text not shown]*

#### C4.7.14. Preparing MROs

C4.7.14.1. Originator. MROs, DLMS 940R, Materiel Release, are prepared by the source of supply as a result of processing requisitions against inventory records and determining that materiel is available. MROs are used as a directive for release and shipment of materiel from stock.

C4.7.14.1.1 MROs directing shipment of requisitioned GFM will perpetuate contract data to include the contract number authorizing GFP, and the call/order and CLIN when available. Contract data will be provided by the source of supply for pushed GFM not initiated by a requisition.

C4.7.14.1.2. MROs directing shipment of reparable for induction for commercial maintenance will include the contract number authorizing GFP, and the call/order and CLIN when available.

C4.7.14.1.3. MROs directing shipment of GFP in contractor custody will include the contract number authorizing GFP, and the call/order and CLIN when available.

C4.7.14.1.4. MROs directing return of discrepant/deficient materiel to vendors at vendor expense will include identification of the carrier and the carrier account number.

***C4.7.14.1.5. MROs directing the return of PQDR exhibits will include the PQDR report control number (RCN), if available.<sup>1</sup>***

*[Intervening text not shown]*

#### C4.7.17. Storage Activity Denial or Rejection of Materiel Releases

*[Intervening text not shown]*

##### C4.7.17.4. ***Storage Activity Denials for PQDR Exhibits.<sup>2</sup>***

***C4.7.17.4.1. DLA storage activities will prepare the DLMS 945A Materiel Release Denial and send it to the source of supply for PQDR exhibits when the MRO containing the PQDR RCN does NOT match any of the RCNs on the storage activity RCN table at MRO allocation.***

***C4.7.17.4.2. When the DLMS 940R MRO contains the PQDR RCN and the RCN DOES match an RCN on the storage activity RCN table, but the RCN in the bin location is not the expected RCN for the MRO, the DLA storage activity will prepare a DLMS 945A MRD.***

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<sup>1</sup> ADC 1169, DLA Distribution Center Denial Scenarios Associated with Product Quality Deficiency Report (PQDR) Exhibits

<sup>2</sup> *Ibid.*

**B. Revise DLM 4000.25, Defense Logistics Management Standards, Volume 2, Chapter 16, Disposition Services as follows:**

Changes are identified by *bold red italics* and strike-through text.

*[Preceding text not shown]*

**C16.4. SOURCE OF SUPPLY AND STORAGE ACTIVITY INTERFACE FOR DISPOSAL RELEASE ORDERS**

C16.4.1. General. Sources of supply use the DLMS 940R Disposal Release Order (DRO) to direct and control issue of supply system stocks on their records to disposal. Sources of supply will send DROs to the storage site having custody of the stock and result in the preparation of DD Form 1348-1A (or [DD Form 1348-2](#)). If the item is classified in SCC Q and is being sent to a DLA Disposition Services Field Offices, the DRO will contain Management Code O (alpha) or S, as appropriate, to indicate if materiel is hazardous to public health and/or safety and whether mutilation<sup>3</sup> is required. The retention quantity in the DRO will determine the quantity of materiel to be turned in to disposal by the storage site. The retention quantity cited in the DRO will be kept and all remaining stocks transferred to disposal, or, if the quantity on hand is less than the quantity indicated, the storage site will answer with DLMS 945A Disposal Release Denial with Status Code BY.

***C16.4.1.1. DLMS 940R DROs directing the disposal of Product Quality Deficiency Report (PQDR) exhibits will include the PQDR report control number (RCN), if available.<sup>4</sup>***

*[Intervening text not shown]*

**C16.4.4. Release Denial**

C16.4.4.1. The storage site will send a DLMS 945A Disposal Release Denial to the source of supply that prepared the DRO as a notification of no action taken. Sources of supply will use the DLMS 945A to adjust inventory records.

***C16.4.4.2. Disposal Release Denials for Product Quality Deficiency Reports (PODR) Exhibits<sup>5</sup>***

***C16.4.4.2.1. DLA storage activities will prepare the DLMS 945A Materiel Release Denial and send it to the source of supply for PQDR exhibits when the DRO containing the PQDR RCN does NOT match any of the RCNs on the storage activity RCN table at DRO allocation.***

***C16.4.4.2.2. When the DLMS 940R DRO contains the PQDR RCN and the RCN DOES match an RCN on the storage activity RCN table, but the RCN in the bin location is not the expected RCN for the DRO, the DLA storage activity will prepare a DLMS 945A Disposal Release Denial.***

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<sup>3</sup> Materiel requiring mutilation may not be consigned to DLA Disposition Services Field Offices unless the DoD Component of the activity directing the shipment has made prior official arrangements with the DLA Disposition Services. If mutilation is required, provide specific instructions to the DLA Disposition Services Field Offices by separate correspondence, citing the DTID number.

<sup>4</sup> ***ADC 1169, DLA Distribution Center Denial Scenarios Associated with Product Quality Deficiency Report (PQDR) Exhibits***

<sup>5</sup> ***Ibid.***

## Enclosure 2, MILSTRAP Revisions

### Revise DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP) Appendix 2.6 - Management Codes as follows:

Changes are identified by ***bold red italics*** and strike-through text.

*[Preceding text not shown]*

AP2.6.2. ISSUE RELATED TRANSACTIONS. Management codes are assigned for use in MILSTRAP issue related transactions (DIC D7\_ Issues, DG\_ Backorders, and DHA Demands) and MILSTRIP transactions (DIC Code A4\_ Referral Orders, A5\_ Materiel/Disposal Release Orders, A6\_ Materiel/Disposal Release Denials, ACJ Disposal Release Cancellations, AE6 Supply status, AEJ Disposal Supply Status, AFJ Disposal Release Follow-ups, AGJ Reply to Disposal Release Cancellations, AKJ Disposal Release Cancellation Follow-ups, ARJ, ARK, and ARL Deposal Release Confirmations), and related release documentation (when applicable), as indicated below:

*Intervening text not shown...*

<u>CODE</u>	<u>APPLICABLE DICS</u>	<u>EXPLANATION</u>
Q	A6_	Denied. Storage activity unable to match materiel release order to identified reference numbers for stock in storage. Requested stock cannot be released.  (1) Unable to match the protection document number and job order number. Applicable to DLA Navy industrial activity support agreement. <sup>6</sup>  (2) Unable to match to the DTID Number. Applicable to DLA Disposition Services. <sup>7</sup>  (3) <b><i>Unable to match requested Product Quality Deficiency Report (PQDR) exhibit report control number (RCN) to storage activity record or physical location.</i></b> <sup>8</sup>

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<sup>6</sup> ADC 391, New Denial Management Code to Support the New Protection Process at the Navy Shipyards (NSYs) when Protection Document Number/Job Order does not Match DSS Records under BRAC SS&D/IMSP.

<sup>7</sup> Refer to ADC 449, Intra-DLA Revisions to the DLMS 945A, Materiel Release Advice, Cancellation Reason Code, Management Code, and Associated Procedures under Reutilization Business Integration (RBI).

<sup>8</sup> ***ADC 1169, DLA Distribution Center Denial Scenarios Associated with Product Quality Deficiency Report (PQDR) Exhibits.***

## Enclosure 3, MILSTRIP Revisions

### Revise DLM 4000.25-1, Military Standard Requisitioning and Issue Procedures (MILSTRIP), Chapter 3, Requisition Processing and Related Actions, as follows:

Changes are identified by ***bold red italics*** and strike-through text.

*[Preceding text not shown]*

***C3.15.5. MROs directing the return of Product Quality Deficiency Report (PQDR) exhibits will include the PQDR report control number (RCN), if available, in the exception narrative.<sup>9</sup>***

*[Intervening text not shown]*

#### ***C3.17.3. Materiel Release Denial (MRD) for PQDR Exhibits<sup>10</sup>***

***C3.17.3.1. DLA storage activities will prepare the MRD and send it to the source of supply for PQDR exhibits when the MRO containing the PQDR RCN does NOT match any of the RCNs on the storage activity RCN table at MRO allocation.***

***C3.17.3.2. When the MRO contains the PQDR RCN and the RCN DOES match an RCN on the storage activity RCN table, but the RCN in the bin location is not the expected RCN for the MRO, the DLA storage activity will prepare a MRD.***

*[Intervening text not shown]*

***C3.39.1.*** Sources of supply will utilize the disposal release order (DRO) (DIC A5J) and related transactions to direct and control issue of supply system stocks on their records to DLA Disposition Services. DROs are transmitted to the storage site having custody of the stock and result in the preparation of the DD Form 1348-1A (or DD Form 1348-2) as outlined in Chapter 5, Paragraph C5.5. Preparation of DROs will be performed using the Appendix AP3.13 format. If the item is classified in SCC Q and is being transferred to DLA Disposition Services, the DRO will contain Management Code O (alpha) or S, as appropriate, to indicate whether the materiel is hazardous to public health/safety and mutilation is required. Aviation critical safety item (CSI)/flight safety critical aircraft part (FSCAP) materiel in SCC Q directed to DLA Disposition Services will always cite Management Code S. (See MILSTRAP, Appendix AP2.6). DLA Disposition Services will perform mutilation in accordance with existing guidance for the NSN/type of material. The ICP/IMM should identify to DLA Disposition Services any unique instructions for disposal requiring specific methods or information regarding hazardous constituents contained in the item. When the quantity to be transferred to DLA Disposition Services exceeds the capability of the quantity field, rp 25-29, multiple DROs with new document numbers will be utilized. When multiple DROs are required; each DRO prepared for the same item will contain the total retention quantity in rp 55-61. When the quantity to be retained exceeds the capability of the retention quantity field, rp 55-61, the transactions will be processed off-line. ***DROs directing the disposal of PQDR exhibits will include the PQDR RCN, if available in the exception narrative.<sup>11</sup>***

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<sup>9</sup> ADC 1169, DLA Distribution Center Denial Scenarios Associated with Product Quality Deficiency Report (PQDR) Exhibits.

<sup>10</sup> Ibid.

<sup>12</sup> Ibid.

*[Intervening text not shown]*

C3.39.1.4. Disposal Release Denials (DRD).

C3.39.1.4.1. DRDs are prepared by the storage site and transmitted to the appropriate source of supply having prepared the DRO as notification of negative action on the DRO. Preparation of DRDs will be performed under the format referenced in Appendix AP3.18 and will contain DIC A6J. Sources of supply will utilize DRD to make appropriate adjustments to the inventory records.

***C3.39.1.4.2. DRDs for PQDR Exhibits<sup>12</sup>***

***C3.39.1.4.2.1. DLA storage activities will prepare the DRD and send it to the source of supply for PQDR exhibits when the DRO containing the PQDR RCN does NOT match any of the RCNs on the storage activity RCN table at DRO allocation.***

***C3.39.1.4.2.2. When the DRO contains the PQDR RCN and the RCN DOES match an RCN on the storage activity RCN table, but the RCN in the bin location is not the expected RCN for the DRO, the DLA storage activity will prepare a DRD.***

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<sup>12</sup> *Ibid.*