DEFENSE LOGISTICS AGENCY
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May 16, 2019

MEMORANDUM FOR SUPPLY DISCREPANCY REPORTING (SDR) PROCESS
REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1236,
Miscellaneous SDR Enhancements Including Reconsideration Requests, Edit Use
of Reply Code 504, and Remove Air Force Security Assistance Command
(AFSAC) Historical Procedures (SDR)

The attached change to DLM 4000.25, Defense Logistics Management Standards (DLMS), is
approved for implementation. The Enterprise Business Standards Office will post the updated
DLMS Implementation Conventions (IC) to the Web at
http://www.dla.mil/HQ/InformationOperations/DLMS/elibrary/Transformats/140_997/, within **10**
days from the above date.

Addressees may direct questions to EBSO.SDR@dla.mil. Others must contact their
designated SDR PRC available at http://www.dla.mil/HQ/InformationOperations/DLMS/allpoc/.

HEIDI M. DAVEREDE
Director
Enterprise Business Standards Office

Attachment
As stated

cc:
ODASD(Logistics)

Attachment to ADC 1236
Miscellaneous SDR Enhancements Including Reconsideration Requests, Edit Use of Reply Code 504, and Remove AFSAC Historical Procedures

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION: Mr. Ben Breen, SDR PRC Chair, e-mail: DLMSSDR@DLA.MIL

2. FUNCTIONAL AREA LOGISTICS AND TRANSACTION CHANGES:

    a. Primary/Secondary Functional Area: SDR

    b. Logistics and Transaction Changes (Check All That Apply):

☑	Category	☑	Category	☑	Category
	Billing		Physical Inventory		Contract Admin
☑	Discrepancies / Deficiencies		MILSTRAP		DoDAAD
	Serialization		MILSTRIP		MAPAD
	Small Arms/Light Weapons		MRA		LMARS
	pRFID		Disposition	☑	DLM Publications
	GFP		DOD BRAC		

3. REFERENCES: DLM 4000.25, Defense Logistics Management Standards (DLMS), Volume 2, Supply Standards and Procedures, Chapter 17, Supply Discrepancy Reporting.

4. APPROVED CHANGE(S): Green highlighting identifies substantial changes subsequent to staffing.

    a. Brief Overview of Change:

      (1) Revise reconsideration request procedures under Chapter 17 and replace the term "customer" with "submitter" in support of all SDR document types.

      (2) Implement edit in WebSDR to block the use of the Reply Code 504 (forwarding) used with another reply code and restrict the use to SDR Document Type Code 7 or R.

      (3) Remove business rules from DLMS 4000.25, Volume 2, Chapter 17, SDR regarding Air Force Security Assistance Command (AFSAC) historical (49) SDR procedures.

    b. Background:

      (1) Currently DLMS, Volume 2, Supply Standards and Procedures, Chapter 17, Supply Discrepancy Reporting (Reference 3.a.) refers to customers when submitting a

Reconsideration (Transaction Set Purpose Code 15). The use of the term customer infers a reconsideration can be generated only by the activity who initiated a Document Type 7 (Customer originated, depot/lateral shipment/other) or a Type 6 (Customer originated, direct vendor/contractor delivery). However, a request for reconsideration can be generated for all document type code of SDRs and currently being used by storage activities to seek clarification from the Inventory Control Point (ICP) on Replies (Transaction Set Purpose Code 11) when the disposition is not clear or further clarification is required by the storage activity.

        (2) Reply Code 504 (SDR forwarded to new action activity as shown) is used when an SDR is misdirected to an activity that should not be the action activity. For example, Document Type Code 7/R SDRs are to be routed first to the DLA Distribution Center that shipped the materiel (exception to this is the Army, which receives a Type 7 original (00) for action, not DLA Distribution). The ICP generates Reply Code 504 if the customer first creates a Type 7 SDR to the ICP for action for a DLA Distribution shipment. In this scenario the ICP would use Reply Code 504 and input the shipping distribution center Routing Identifier Code (RIC) as the RIC TO for action. This will result in a new original (00) SDR with all the data content being perpetuated and sent to the RIC TO identified in the transaction. Also, any parties identified to receive copies of this SDR will receive a copy of the Reply Code 504 reply (Transaction Set Purpose Code 11- Reply). However, in some instances the action activity generating the Reply Code 504 is also inputting other SDR reply codes. This results in these other reply codes being perpetuated, resulting in confusion and systemic issues for those receiving this transaction. The reason Reply Code 504 will be restricted to a Type 7 or R SDR is that storage activity Document Type Code SDRs (8/9/A/N/P) record the SDR to an owner RIC. The owner RIC, in most cases, is the activity receiving the SDR for action; the exception is that new procurement (Document type Code 9/P) SDRs are routed to the manager if no owner RIC is identified in the Pre-Position Material Release DLMS 527D. If a Reply Code 504 is used for a storage activity SDRs, the SDR is routed to a new action activity but this does not update the storage activities record for owner balance. Therefore, when the new action activity replies (via Reply Code 504), the storage activity will reject this reply because the initial SDR wasn't sent to this new action activity for action, since it would be an audit violation for the storage activity to process a disposition reply from an activity that is not listed as the owner of the materiel.

        (3) During the design for WebSDR, Components using internal SDR systems identified a need for a business process that would allow SDRs to be worked internal to the Component or internal to the Component's SDR application without providing standard transaction/e-mail outputs from WebSDR. Consequently, historical SDRs (identified by Transaction Set Purpose Code 49) were established for this purpose. In the case of AFSAC SDR-A-generated SDRs, use of historical SDRs allows WebSDR to support internal communication of SDRs prior to ILCO approval and transmission of the SDR to the applicable action activity. However, the AFSAC executive agent for SDRs has informed the Enterprise Business Standards Office (EBSO) that SDR-A no longer uses historical SDRs (49s).

    c. **Requested Change in Detail**:

        (1) Revise reconsideration request procedures in DLMS, Volume 2 Chapter 17 (reference 3.a.) and replace the term "customer" with "submitter" to support all SDR document types (see Enclosure 1). Also, update the DLMS 842A/W

implementation convention (IC) to reflect the correct term and clarify it can be used for all SDR Document Type Codes (see Enclosure 2).

(2) Implement new edit for WebSDR direct online application input and SDR transactions to reject any SDR using Reply Code 504 for other than SDR Document Type Code 7 or R or in conjunction with any other reply code. WebSDR will reject transactions with new Reply Code (SDR reply code additions are shown in red bold italics).

(a) ***949 Transaction rejected. Reply Code 504 can only be used for SDR Document Type Code 7 or R, and cannot be used with any other reply code.***

(b) Long text description of the rejection will state, "Invalid use of Reply Code 504. Reply Code 504 can only be used for SDR Document Type Code 7 or R and cannot be used with any other reply code".

(3) Update DLMS 4000.25, Volume 2, Chapter 17, to remove business rules regarding Air Force Security Assistance Command (AFSAC) historical SDR procedures as shown in Enclosure 1.

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

(1) Revise DLM 4000.25, Volume 2, Chapter 17, Supply Discrepancy Reporting, as shown in Enclosure 1.

(2) Update DLMS Volume 2, Appendix 7.28, Supply Discrepancy Report Relevant Data Elements, for new discrepancy codes as shown in paragraph 4.c.(2).

(3) Revise the DLMS IC 842A/W, and 842A/R SDR transactions as shown in Enclosure 2.

e. **REASON FOR CHANGE:** This change provides clarity and updates SDR procedures and business rules.

f. **Approved Transaction Flow:** Standard SDR business transactions apply.

g. **Alternatives:** None noted.

5. ADVANTAGES AND DISADVANTAGES:

a. **Advantages:** These changes will systemically enforce current SDR business process and procedures and clarify the business and system requirements in various scenarios to the SDR community.

b. **Disadvantages:** None.

6. ASSUMPTIONS USED OR WILL BE USED IN THE CHANGE OR NEW DEVELOPMENT: None identified.

7. ADDITIONAL COMMENTS TO CONSIDER: None.

8. ADDITIONAL FUNCTIONAL REQUIREMENTS: None.

9. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: The updates to DLMS 842 data elements in the DLMS IC and WebSDR will be in place within 10 days after publication of this change. The implementation of WebSDR edits will occur by December 31, 2019.

10. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: None identified.

11. IMPACT:

    a. <u>New DLMS Data Elements</u>: None identified.

    b. <u>Changes to DLMS Data Elements</u>: SDR reply codes updated as shown above.

    c. <u>Automated Information Systems (AIS)</u>: Revise SDR applications for revised SDR reply code list.

    d. <u>Defense Automatic Addressing System (DAAS)</u>: Update WebSDR tables for revised SDR reply code list.

    e. <u>Non-DLM 4000.25 Series Publications</u>: DOD Components may need to update internal operating procedures and other published Receipt/SDR guidance.

12. PROPOSED DLMS CHANGE (PDC) 1236 RESPONSE/COMMENT RESOLUTION:

	Component	Response/Comment	Disposition
1.	DLA	DLA concurs with the following comment. Will components be able to use the 504 forwarding process in the future to use on other types of SDRs that need to be routed to DCMA or is it the intention to have the 50 I code programmed and work like the 504 in the component system.	As noted.
2.	Navy	Naval Supply System Command, Headquarters originally non-concurred Navy stated it was found that if Reply Code 504 is rejected if used in conjunction with any other Action Point Response Codes, there could be issues on SDRs reviewed internally and then required redirect action. SDR History in PDREP has not been corrected yet, the rejection of Reply Code 504 could cause the SDR coordinators to remove existing Action Points Response Codes in order to redirect a SDR to DLA. This represents a major audit concern for the Navy. However, after a teleconference with the Navy, PDREP, and EBSO Naval Supply System Command, Headquarters has reviewed subject PDC 1236 and concurs with comment. Navy requests language added to include the process for using reply code 612.	As noted and ADC updated to include use of reply code 612.

3.	Air Force	AF originally non-concurred, and has concerns with blocking the 504 forwarding reply code. However, after numerous meetings the AF concurs and access will be given to certain individuals to allow them to respond to SDRs for numerous AF RICs.	As noted.
4.	US Army	Concur without Comment.	As noted.
5.	USMC	Concur without Comment	As noted.
6.	DAAS	Concur without Comment	As noted.
7.	USTRANSCOM	None noted.	Noted.
8.	AFSAC	Concur without Comment.	As noted.
9.	DCMA	Concur without Comment.	As noted.

Enclosure 1, Defense Logistics Manual (DLM) 4000.25, Volume 2, Revisions

Revise Chapter 17 as shown. Changes are identified in *red bold italics*.

(Preceding text not shown)

C17.2.4.4. Security Assistance ~~customers~~ *submitters* may use SDRs to contest the decision stated in a reconsideration response.

(Intervening text not shown)

C17.3.12.1.2.3. Replacement or corrected replies. The action activity may 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~~ *submitter* 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.

(Intervening text not shown)

C17.3.12.1.4.1. Customer Returns. In many cases, logistics business rules require that the return shipment use the same document number as the related order/sale. While this reuse may be appropriate for some materiel held at the customer's location, it is not feasible for all situations. When the materiel is already located in a DLA Distribution Center and no physical shipment is required to return the materiel to the original owner/manager, the current owner must not reuse (or suffix) the original document number for the Prepositioned Materiel Receipt (PMR) and Materiel Release Order (MRO) directing the return. The responsible action activity must assign an alternative document number when materiel is located in a DLA Distribution Center and the current owner must use a ship-in-place materiel release order to direct the return. Additionally, ~~customers~~ *submitters* must use the reconsideration request to ask for an alternative document number due to system constraints prohibiting reuse of the original shipment document number. When using a new document number for the directed return of discrepant/deficient materiel, the owner/manager and the returning activity must retain an audit trail linking the old and new document number/suffix (both document numbers will be included in the PMR, Materiel Returns Shipment Status, and Receipt transactions).

(Intervening text not shown)

C17.3.17. Historical SDR Purpose and Procedures. During the design for WebSDR, Components using internal SDR systems identified a need for a business process that would allow SDRs to be worked internal to the Component or internal to the Component's SDR application without providing standard transaction/e-mail outputs from WebSDR. Historical SDRs (identified by Transaction Set Purpose Code 49) were established for this purpose. Historical SDRs are currently employed by ~~two~~ *one* ~~systems~~: the Product Data Reporting and Evaluation Program (PDREP) ~~and the Air Force Security Assistance Command (AFSAC) SDR Application (SDR-A)~~.

(Intervening text not shown)

~~C17.3.17.2. For AFSAC SDR-A-generated SDRs, the use of historical SDRs allows WebSDR to support internal communication of SDRs prior to ILCO approval and transmission of the SDR to the applicable action activity. Note that the AFSAC SDR-A use of historical SDRs is planned to be phased out during future enhancement to that system, but is required to support current functionality. Without the historical SDR process there would be premature dissemination of SDRs. Because SDR-A has no reply capability, WebSDR acts as the centralized tool for inputting all replies to the customer. Prior to submitting an SDR to the responsible action activity, the ILCO analyst validates the SDR to ensure it meets regulatory and Letter of Offer and Acceptance (LOA) timelines for submission, as well as minimum dollar value requirements. The analyst also ensures it has supporting documents necessary for the action activity to effectively respond to the SDR. If any of these conditions are not met, SDR-A transmits the SDR to WebSDR as an historical transaction with an action activity RIC FNH (AFSAC). Then the ILCO goes into WebSDR and inputs a reply that WebSDR transmits back to SDR-A to either request additional information from the customer or close out the SDR. If the ILCO asked the FMS customer for additional information, and the customer submits a correction to SDR-A with that information, SDR-A transmits that SDR to WebSDR with the appropriate action activity RIC (e.g. the source of supply or shipping depot) as a new original (Transaction Set Purpose Code 00) (not a correction) and the SDR posts in WebSDR (using same WebSDR control number as the historical). WebSDR must suppress any outgoing information copies of the SDR until the new original SDR is established.~~

(Intervening text not shown)

~~C17.3.20.1.1.7. WebSDR will suppress transmission of outgoing source of supply information copies associated with Web-prepared replies to historical SDRs (Transaction Set Purpose Code 49 on the original submission). These replies serve a limited purpose for communication between Air Force Security Assistance Command (AFSAC) offices pending full implementation of the Security Assistance Enterprise System (SCES) or alternative processing method.~~

(Intervening text not shown)

C17.3.20.2.12. Reply with Discrepancy Status/Disposition Code 504 forwarding action may not be used to forward SDRs where incomplete information is available to construct the new forwarded SDR, or the SDR is otherwise not suitable for automated forwarding action. Reject with Discrepancy Disposition/Status (Reply) Code 935.

C17.3.20.2.1**3. *WebSDR direct online application input and SDR transactions will be rejected for any SDR Document Type Code other than 7 or R, or any SDR using Reply Code 504 with any other reply code. Reject with Discrepancy Disposition/Status (Reply) Code 946.***

(Intervening text not shown)

C17.3.20.4.1. WebSDR will facilitate appropriate distribution when the action party receiving the initial distribution employs the Distribution/Status (Reply) Code 504 indicating the SDR must be forwarded to a new action activity. *WebSDR direct online application and SDR transactions will be edited to restrict the use of Reply Code 504 for use only for SDR Document Type Code 7 or R, and SDRs using another reply code in conjunction with Reply Code 504 will be rejected with Reply Code 949 - Transaction rejected. Reply Code 504 can only be used for SDR Document Type Code 7 or R, and cannot be used with any other reply code. Action Activities receiving SDRs (other than Type 7 or R) identified to the wrong action activity will use Reply Code 612 to reject the SDR back to the submitter ILO using Reply Code 504 to redirect it to another action activity.* WebSDR will prepare the forwarded SDR in an original SDR format (Transaction Set Purpose Code 00) retaining all the information provided in the initial transmission plus the unique data fields applicable to the forwarding action per the DLMS 842A/W. The submitter will receive the reply transaction as notification of interim status. If an information copy of the initial SDR was provided to the source of supply based upon Component rules, WebSDR will prepare an information copy of the forwarded transaction using the correction format (Transaction Set Purpose Code CO). When the source of supply identified in the SDR correction is the same activity identified to receive the source of supply copy of the SDR reply (Transaction Set Purpose Code 11), this reply transaction will be suppressed as redundant to the correction. WebSDR will update the SDR database to reflect the current action activity after this type of forwarding action and ensure that subsequent transactions are properly transmitted to the new action activity (rather than the original action activity).

(Intervening text not shown)

C17.5.9.1.1. The Security Assistance purchaser may ask the U.S. Government to reconsider the disposition for a reported supply discrepancy. Purchasers must send a Request for Reconsideration to the ILCO within 45 calendar days from the date of the ILCO final reply to the ~~customer~~ *submitter* concerning disposition, except when materiel/exhibit return to the customer is required subsequent to US Government-directed evaluation/testing/repair.

C17.5.9.1.2. The request for reconsideration will use the nonconformance number associated with the original report. When the ~~customers~~ *submitter* ask*s* for reconsideration, the ILCO will add a Suffix Code R to the SDR number. The ILCO will convert the request for reconsideration to electronic transmission and forward to the appropriate DoD ICP/IMM or GSA action activity for reconsideration within 20 calendar days of receiving the request for reconsideration from the ~~customer~~ *submitter*.

C17.5.9.2. <u>Second Request for Reconsideration (Contested Reconsideration Response)</u>. Security Assistance ~~customers~~ *submitters* may further contest the ICP/IMM or GSA decision given after the request for reconsideration. To do so, the ~~customer~~*submitter* must send a written request to the ILCO within 45 calendar days from the date of the ILCO reply to the request for reconsideration. The ~~customer~~*submitter* must indicate why the ICP/IMM or GSA decision is not satisfactory. Cite the nonconformance number on the original SDR.

Enclosure 2, Revise the DLMS Implementation Convention (IC) 842A/W SDR transaction as shown below.

Item	Location	Revision to 4030 842A/W Standard Supply Discrepancy Report (SDR), Follow-up, Correction, Cancellation, & Reconsideration Request	Reason
1.	DLMS Introductory Notes	Add ADC 1236 to DLMS introductory notes: **- ADC 1236, Miscellaneous SDR Enhancements Including Reconsideration Requests, Edit Use Of Reply Code 504, And Remove AFSAC Historical Procedures.**	To identify DLMS changes included in IC.
2.	2/BNR01/0200	Revise DLMS Notes for Qualifier 15: **Re-Submission** **DLMS Note:** *1. Use to request reconsideration on a SDR resolution/disposition (SDR must contain additional information/justification).* **Can be** ~~U~~**u**se**d** *only after having received a reply from the action activity.* ***2. Use of request for reconsideration is valid for all SDR Document Type Codes****.*	Revises note with referenced ADC for reconsideration remarks to annotate they are valid for all SDR document Type Codes.
3.	2/DTM01/0600	Revise DLMS Notes for Qualifier 881: **Request** **DLMS Note:** *1. Use to identify the date of the* ~~customer's~~ ***submitter's*** *request for reconsideration.*	Change customer to submitter.