



**DEFENSE LOGISTICS AGENCY  
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December 07, 2017

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

**SUBJECT:** Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1241, Procedures for Processing Supply Discrepancy Reports (SDRs) for Total Nonreceipt of Defense Logistics Agency (DLA) Consolidation and Containerization Point (CCP) Shipments (Supply/SDR)

We are forwarding the attached change to DLM 4000.25, Defense Logistics Management Standards, for phased implementation beginning March 2018.

Addressees may direct questions to Mr. Ben Breen, or Ms. Ellen Hilert at email: [DLMSSDR@dla.mil](mailto:DLMSSDR@dla.mil). All others must contact their Component designated SDR PRC representative available at [www.dla.mil/HQ/InformationOperations/DLMS/DLMSPrograms/sdr](http://www.dla.mil/HQ/InformationOperations/DLMS/DLMSPrograms/sdr).

**HEIDI M. DAVEREDE  
Program Manager  
Enterprise Business Standards Office**

Attachment  
As stated

cc:  
ODASD (SCI)

# **Attachment to ADC 1241**

## **Procedures for Processing Supply Discrepancy Reports (SDRs) for Total Nonreceipt of Defense Logistics Agency (DLA) Consolidation and Containerization Point (CCP) Shipments**

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

a. Ray Bowen, General Services Administration, National Customer Service Center, 816-548-3007, [ray.bowen@gsa.gov](mailto:ray.bowen@gsa.gov)

b. Ellen Hilert, DOD SDR System Administrator, DLMS Program Office, [DLMSSDR@dla.mil](mailto:DLMSSDR@dla.mil)

### **2. FUNCTIONAL AREA:**

a. **Primary/Secondary Functional Area**: Supply Discrepancy Reporting

b. **Primary/Secondary Functional Process**: Supply

### **3. REFERENCES:**

a. [DLM 4000.25](#), DLMS, Volume 2, Supply, Chapter 17, Supply Discrepancy Reporting

b. [Code of Federal Regulations \(CFR\) §101-26.803-1](#), Discrepancies or Deficiencies in GSA or DOD Shipments, Material, or Billings.

c. [ADC 1217](#), WebSDR Process Enhancement for Source of Supply Disposition Response to Storage Activity on Customer-Initiated SDRs, September 27, 2017

d. [ADC 452](#), Implementation of DOD WebSDR Automated SDR Rejection Capability, December 19, 2011

**4. APPROVED CHANGE(S):** Green highlighting identifies substantive revisions subsequent to staffing.

a. **Brief Overview of Change**: This change clarifies the procedures and responsibilities of all parties in the resolution of nonreceipt SDRs for shipments through DLA CCPs. Overarching procedures are applicable to all Components; however, unique business rules applicable to General Services Administration (GSA)-directed shipments are included.

b. **Background**:

1. Presently, there is some confusion concerning the responsibilities of the action Agency when resolving shipping discrepancies or customer inquiries relating to GSA-directed shipment after arrival at a CCP. Customers sometimes have to contact both GSA and the CCP while trying to resolve the issue. Working with a Continuous Process Improvement (CPI) facilitator, DLA and GSA documented the current state of information flow in order to identify improvements to procedures. The work was predicated on the fact that a better understanding of which Agency is responsible for what information and improvements in the information flow will help the customer service teams of both organizations; therefore, reducing customer effort

when an inquiry is made. In addition, system enhancements in both DLA and GSA interfaces will improve information exchange between the action activities and the customer.

2. Unlike DOD sources of supply, GSA policy does not authorize credit to customers when proof of delivery (POD) is available for a vendor delivery to the CCP. At this time, DLA does not assume financial responsibility for GSA transshipments via CCPs. The customer reporting total nonreceipt of a GSA-directed vendor shipment has no avenue to seek reimbursement if the CCP cannot locate the shipment.

**Staffing Note:** The outcome of a current initiative undertaken by the Office of the Deputy Assistant Secretary of Defense, Supply Chain Integration (ODASD SCI) may influence GSA policy for customer reimbursement. Gaps in overarching policy and DOD Component procedures for maintaining accountability of materiel while in-transit and associated financial reporting on the buyer and seller side are under review so policy and procedures can be better aligned for audit readiness.

3. Customer SDRs are required to record total nonreceipt of shipments transshipped via a CCP. Customers should direct these SDRs to the CCP for initial research. If sent initially to the source of supply, the source of supply should forward to the CCP. The SDR will provide visibility of discrepancies, establish a workflow for research and resolution, and, potentially, help identify problem vendors and root causes, such as noncompliant shipping labels.

4. ADC 1217 (Reference 3.c.) provides a mechanism to return SDRs to the original action activity after the original activity has reviewed, responded, and closed the SDR in their Component SDR system. The source of supply will leverage this process for returning SDRs to the CCP after the CCP initially forwarded the SDR to the source of supply. The concept is that the “returned” SDR will include additional information, such as proof of delivery (POD), needed for further research by the CCP.

**c. Approved Change in Detail:** Update DLMS SDR procedures to clarify appropriate SDR distribution and processing for total nonreceipt of materiel shipped to the customer via DLA CCP as follows:

1. Customers should direct SDRs to the CCP for research, including proof of delivery (POD) to the CCP when available. WebSDR will provide an information copy to the source of supply based upon customer input to the source of supply field. If the customer bypasses the CCP, the source of supply will forward to the CCP for research using Reply Code 504 (SDR forwarded to new action activity as shown).

2. If the CCP confirmed incoming delivery, but neither outgoing nor current status of the shipment can be determined, the CCP will annotate their findings on the SDR reply to the submitter and forward to the source of supply for resolution using the applicable 300-series forwarding reply code.

3. Upon receipt of the CCP response, the DOD Component source of supply will conduct research as needed (e.g., using Integrated Development Environment/Global Transportation Network Convergence (IGC) or contacting the vendor, if applicable). As a result, the source of supply may provide credit based upon customer-reported nonreceipt and other findings. If the source of supply is able to obtain previously unavailable POD to the CCP, the source of supply will attach the POD to their SDR reply and request additional research at the CCP using this new information. This will be accomplished using Reply Code 527 (SDR returned to storage activity/initial storage activity for action; see remarks) (Reference 3.c.).

4. When the source of supply reply (using Reply Code 527) returns an SDR to the CCP, the CCP will use POD information to research further and provide an updated SDR reply. In addition to Reply Code 527, the source of supply will cite Reply Code 135 (Documentation/technical data is being forwarded) when forwarding POD attachments.

5. If the CCP is able to locate the frustrated shipment within the CCP, the CCP will respond to the customer that the materiel will be shipped using Reply Code 123. If the CCP continues to be unable to provide status for the shipment, the CCP will again forward the SDR to the source of supply for final disposition.

6. The source of supply must provide a reply to the customer to close out the action on this SDR. The SDR reply will indicate when reimbursement is applicable.

7. GSA will advise their customers that GSA policy does not authorize credit when POD to the CCP is available. GSA customers will need to re-requisition if the materiel is still required.

8. WebSDR will modify the edit authorized under ADC 452 (Reference 3.d.) designed to block transmission of SDRs for direct vendor delivery (DVD) shipments (identified by Document Type 6) addressed to DLA Distribution activities. The modified edit will allow DVD-related SDRs addressed to CCPs to continue processing while rejecting DVD-related SDRs address to DLA Distribution Depots. (See paragraph 9, Impact, for a list of CCP Routing Identifier Codes (RICs)/DOD Activity Address Codes (DoDAACs).)

9. SDR systems supporting item managers must be able to forward DVD-related SDRs (Document Type 6) to CCPs.

10. The DLA Distribution Standard System (DSS) must be able to accept incoming DVD-related SDRs (Document Type 6) addressed to CCPs.

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

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

2. Revise DLM 4000.25, Volume 2, Appendix 7.28, Supply Discrepancy Report Relevant Data Elements, for existing Reply Code 123 as shown below.

“123 Materiel will be *shipped*/reshipped (estimated date of ~~replacement~~ shipment provided, when known).”

**e. Transaction Flow:**

1. The diagram shown at Enclosure 1 addresses responsibilities between organizations when GSA-directed shipments are lost at CCP and the customer sends an SDR to the CCP. The diagram employs GSA as an example to illustrate the flow and retain visibility of the GSA unique requirements. However, comparable transaction flow and procedures apply to other sources of supply.

2. If the customer sends the SDR to the source of supply (rather than the CCP), the source of supply will forward the SDR to the CCP using Reply Code 504 procedures. After forwarding to the CCP, the illustrated flow applies.

f. **Alternatives:** None identified for forwarding functionality.

**Staffing Note:** Prior to development of this change, DLA and GSA explored various approaches that would enable DLA to reimburse GSA for astray shipments when proof of delivery to the CCP is available. Based on reimbursement from DLA, GSA agreed to offer credit to the customer under MILSBILLS procedures. After further consideration, DLA withdrew support for reimbursing GSA for “lost” CCP shipments. The DLMS Program Office was unable to identify an overarching policy requirement for GSA reimbursement in this scenario.

**5. REASON FOR CHANGE:** Procedures for reporting and resolving customers’ inquiries/ discrepancies for total nonreceipt of shipments after reaching a DLA CCP are not well documented and are not consistently applied. Customers are not aware that GSA will not grant credit for total nonreceipt if POD to the CCP is available.

## 6. ADVANTAGES AND DISADVANTAGES:

a. **Advantages:** Clarifies information flow between customer and action activities when resolving SDRs. Use of SDRs will heighten awareness and provide enterprise visibility of the high volume loss of materiel after delivery to the CCP and, potentially, prompt improved handling and tracking procedures for this materiel. Customer submission of SDRs to the CCP should help isolate the causes for lost materiel.

b. **Disadvantages:** None identified.

**7. ESTIMATED TIME LINE/IMPLEMENTATION TARGET:** Phased implementation of this change coincides with implementation of ADC 1217. ADC 1217 target implementation is March 2018. (If ADC 1217 implementation slips, DAAS and Components will delay implementation of this change accordingly.) Email routing (as described in paragraph 9) for Document Type 6 SDRs addressed to CCPs is required pending DSS upgrade targeted in December 2018.

**8. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE:** For Fiscal Year 2017, GSA processed 2,171 reports of non-receipt for export shipments and provided proof of delivery. The total value of these orders was \$3,456,954.20.

## 9. IMPACT:

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

b. **Changes to DLMS Data Elements:** This change includes minor revision to SDR Reply Code 123 explanation text as shown above.

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

1. Component SDR systems must be capable of forwarding SDRs to the CCP for review and accepting forwarded SDRs from the CCP. Source of supply functionality to return an SDR to the initial action activity using Reply Code 127 is necessary for full implementation of this change.

2. DLA Distribution Standard System (DSS):

(a) DSS will need upgrades to facilitate processing of incoming SDRs addressed to CCPs and forwarding SDRs to the source of supply after CCP review. Currently, DSS does not accept SDRs identified as DVD shipments (Document Type 6). To implement this change, DSS will need to accept DVD-related SDRs at CCP locations when submitted directly by the customer or when forwarded for research by the item manager.

(b) DLA Distribution must provide any changes to CCP RIC/DoDAAC values and email addresses (identified below) to support interim routing via email pending system upgrade.

3. DLA Enterprise Business System (EBS) will need a system upgrade to permit forwarding of DVD (Type 6) SDRs to CCPs for research.

4. Attachment functionality is highly desirable for implementation of this change. Pending programming support for this functionality, the CCP and source of supply will need to use DOD WebSDR to view or provide attachments.

d. **DAAS:**

1. Reply code table update as above.

2. Pending DSS upgrade to accept DVD-related SDRs at CCPs, WebSDR must distribute Document Type 6 SDRs addressed to the following locations via email.

- New Cumberland CCP = SW3123 – SAW and New Cumberland - Transshipment Default J8 - SC3104 – SDJ and SCP, Email to: [sdr@dla.mil](mailto:sdr@dla.mil)
- San Joaquin CCP = SW3225 – SBV, San Joaquin CCP = SW3224 – SBX, San Joaquin CCP = SW3200 – SBC, SB2, SB3, SB4, SB5, SB6, SBE, SBG, SBI, SBM, SBP, SBS, Email to: [DDJC.ISDR@dla.mil](mailto:DDJC.ISDR@dla.mil)
- Norfolk Hub = SW3185 – SNR, Email to: [DDNV.ISDR@dla.mil](mailto:DDNV.ISDR@dla.mil)
- Warner Robbins CCP = SW310Q – SLF, Email to: [DDWGCustomerService@dla.mil](mailto:DDWGCustomerService@dla.mil)

e. **Non-DLM 4000.25 Series Publications:** Update internal operating guides as needed.

**10. PROPOSED DLMS CHANGE (PDC) 1241 STAFFING RESPONSE/COMMENT RESOLUTION:**

	Originator	Response/Comment	Disposition
1.	Army	Concur	Noted.
2.	Navy	<p>Concur</p> <p><u>Concerns during PDC staffing:</u></p> <p>1. PDREP does not have CCP POCs (Action Points) in which to forward these SDRs. In addition, the source of supply (SoS) and customer is not aware whether or not a CCP was involved; it appears material is being shipped</p>	<p>Noted.</p> <p>EBSO Response:</p> <p>1. There is absolutely no requirement for the Navy to know specific POCs at the CCP.</p>

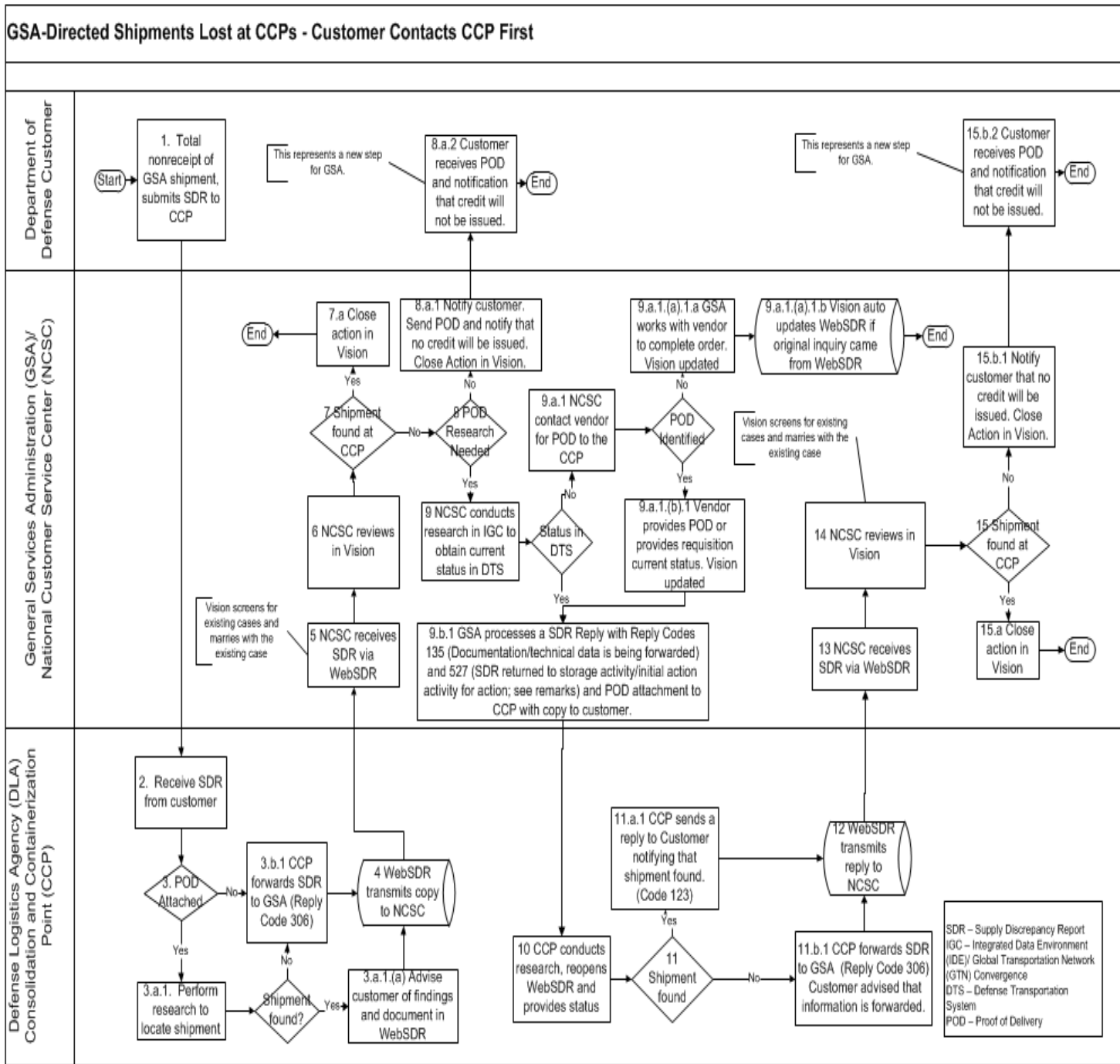
Originator	Response/Comment	Disposition
	<p>from DLA. How will the customer determine whether or not a CCP is involved and who will provide a list of all CCP POCs to PDREP to be loaded?</p> <p>2. What mechanism will be in place to ensure additional information is provided and prevent an SDR from being bounced back and forth between shipper, SoS, and CCP (therefore preventing timely resolution and accountability)? In addition, the systemic requirements to implement PDC 1217 have not been completed/fully approved for implementation. What is the workaround if the programming to support PDC 1217 doesn't happen?</p> <p>3. Is posting a loss for total non-receipt under this process a FIAR compliant method of resolution? Is providing POD to the CCP the responsibility of the SoS or DLA since the mvt 601 is coming from DLA?</p> <p>4. What encourages the CCP to perform research if they can fail to provide shipment status? What is the expected disposition for the SoS if there is no information provided to them by the CCP? The SoS cannot provide reimbursement without any supporting documentation.</p>	<p>a. If the Navy receives a customer SDR for nonreceipt and is aware that materiel was shipped via a CCP you can use the Reply Code 504 process to direct the SDR to the CCP.</p> <p>b. If customer directs their SDR to the CCP and the CCP cannot locate and has no proof of delivery, they will forward the SDR to the Navy for response using Reply Code 305. If you contact your vendor and find that there is proof of delivery to the CCP, you can return the SDR to the CCP with the proof of delivery (POD) using the new "backward flow" under ADC 1217 (a simple Reply Code 527 and the Transfer-To RIC of the CCP (similar to the 504 process)).</p> <p>The Navy may not require use of these procedures; this change provides procedures as guidance for a scenario that may occur. GSA commonly uses vendor shipments consolidated by the CCP and needed a way to forward SDRs to the CCP to search for astray freight. Customers needed additional guidance to recognize that WebSDR does support direct routing to the CCP.</p> <p>Customers and GTN-IGC receives status for shipment consolidation. Customers reporting total nonreceipt of traceable shipments are required to research prior to submission of an SDR.</p> <p>Once the Navy programs for ADC 1217, there is no additional Navy programming impact for this change since it uses the same "backward flow" (directed to the CCP rather than the distribution center).</p> <p>2. The procedures described do allow the SDR to be passed back-and-forth in the scenario where the customer does not obtain proof of delivery prior to submitting an SDR to the CCP. The backward flow is necessary to support communication, providing the</p>

	Originator	Response/Comment	Disposition
			<p>POD, transactional audit trail, and systemic recognition of which office has current action responsibility for the SDR. The alternative is off-line communication.</p> <p>3. Obtaining POD from the vendor is the responsibility of the source of supply. DoD sources of supply are expected to reimburse the customer for materiel that cannot be located/tracked after POD to the CCP is provided. DLA has no further responsibility. The situation described is not high volume, but does require identified procedures. This is particularly true for GSA, which frequently uses the CCP for vendor shipments and does not reimburse customers after POD.</p> <p>4. The CCP does attempt to locate astray freight. However, if POD to the CCP is available, but there is no outbound shipment supported by DLMS supply or transportation transactions indicating that the materiel ever left the CCP, the SDR will confirm this situation. The SDR is the supporting evidence for customer reimbursement.</p>
3.	Air Force	Concur	Noted.
4.	Marine Corps	Concur	Noted.
5.	DLA	<p>Concur</p> <p>This change will require programing changes to both DSS and EBS, system implementation will be dependent on programing priorities/schedules.</p> <ul style="list-style-type: none"> <li>• Pending system changes, WebSDR will distribute Type 6 SDRs addressed to the following location via e-mail: <ul style="list-style-type: none"> <li>o New Cumberland CCP = SW3123 - SAW and New Cumberland - Transshipment Default J8- SC3104- SDJ and SCP, Email to: sdr@dla.mil</li> <li>o San Joaquin CCP = SW3225 – SBV, San Joaquin CCP = SW3224 - SBX, San Joaquin CCP = SW3200 – SBC, SB2, SB3, SB4, SB5, SB6, SBE, SBG, SBI, SBM, SBP, SBS, Email to: DDJC.ISDR@dla.mil</li> <li>o Norfolk Hub = SW3185 – SNR, Email to: DDNV.ISDR@dla.mil</li> <li>o Warner Robbins CCP = SW310Q – SLF, Email to: DDWGCcustomerservice@dla.mil</li> </ul> </li> </ul>	<p>Noted.</p> <p>Implementation will be dependent upon WebSDR forwarding Type 6 SDRs via email to CCP RICs/ DoDAACs pending a DSS change for limited functionality supporting Type 6 SDRs for nonreceipt and an EBS change to allow forwarding Type 6 SDRs to the CCP. The CCP will need to use WebSDR for the reply. This work-around will allow the approved procedures/process flow to move forward. We will use December 2018 as target for the DSS/EBS transactional support for Type 6 SDRs sent to the CCP pending further update.</p>



	<b>Originator</b>	<b>Response/Comment</b>	<b>Disposition</b>
		[DSS is programmed to keep incoming Type 6 SDRs out of the iSDR program. EBS cannot forward Type 6 SDRs to DLA Distribution.]	
6.	GSA	Concur GSA provides the following metrics for use in the ADC: For Fiscal Year 2017, GSA processed 2,171 reports of non-receipt for export shipments and provided proof of delivery. The total value of these orders was \$3,456,954.20.	Noted.

# Enclosure 1, Flow Diagram



## Enclosure 2, Defense Logistics Manual (DLM) Chapter Revisions

Revise DLM 4000.25, Defense Logistics Management Standards, Volume 2, Chapter 17, Supply Discrepancy Reporting, as shown.

Changes are identified by **bold red italics** and strike-through text. Intervening text between updated paragraphs is not shown. Paragraphs will be renumbered as appropriate due to identified revisions.

C17.3.10. SDR Distribution. This section addresses those organizations that must be identified on the SDR as initial action recipient or as receiver of information copies. Such determination is based upon the type or origin of the shipment involved, the DoD Component that directed shipment, and the type of discrepancy. Applicable action activities include ICP, ILCOs, **DLA CCPs**, and DLA Distribution Centers. For items requiring special handling and/or reporting, such as controlled inventory items, the responsible action activity must ensure additional distribution of the report as required. The submitter will provide a copy of the Serious Incident Report, or other Component-required report, regarding controlled inventory items believed to be stolen, lost, or unaccounted for. **Do not mail hard copy documents when** ~~Where access to an electronic SDR application and associated supply information is available, hard copy documents will not be mailed.~~ Where electronic attachment capability is not available, **users should supplement their original SDR submission via WebSDR correction process attachment functionality to upload** ~~exception is provided for e-mailing~~ ~~of~~ information not readily available to the responsible action activity and photographic/pictorial evidence of the discrepancy.

*(Intervening text not shown)*

### C17.3.10.2. SDR Distribution for Shipment (Item) Discrepancies

C17.3.10.2.1. DoD Originated Shipments. **Customers will normally direct** SDRs ~~will normally be directed~~ to the DoD shipping activity with exceptions and specific business rules as follows

*(Intervening text not shown)*

#### C17.3.10.2.1.2. Total Nonreceipt SDRs

**C17.3.10.2.1.2.1. Total Nonreceipt of Security Assistance Shipments** from DLA Distribution Centers. ILCOs will forward SDRs ~~will be forwarded by the ILCO~~ directly to the DoD shipping depot regardless of implementing Component. Where the shipping depot is unknown, forward to the ICP/IMM.

#### **C17.3.10.2.1.2.2. Total Nonreceipt of Materiel Shipped via DLA CCP**

**C17.3.10.2.1.2.2.1. Customers should direct SDRs to the CCP for research. Include proof of delivery (POD) to the CCP when available. If the SDR bypasses the CCP, the source of supply will forward the SDR to the CCP for research using Reply Code 504 including POD if not provided on the initial submission.**

**C17.3.10.2.1.2.2.2. The CCP will reply to the customer with status of the shipment if no further action is needed. WebSDR will provide a copy of the SDR to the source of supply. If the CCP cannot provide status or if POD is not available, the CCP will annotate**

*the SDR reply to the submitter with this information and forward to the source of supply for further research using the appropriate 300-series forwarding reply code.*

*C17.3.10.2.1.2.2.3. After CCP response, the source of supply will review CCP findings and conduct additional research as needed (e.g. using Integrated Development Environment/Global Transportation Network Convergence (IGC) or contacting the vendor, if necessary). As a result, the source of supply may return the SDR to the CCP for further research including the POD (if not previously attached). Alternatively, the source of supply may provide credit based upon customer-reported nonreceipt and other findings. By exception to standard procedures, GSA policy does not authorize credit when proof of delivery to the CCP is available.*