



**DEFENSE LOGISTICS AGENCY  
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March 21, 2019

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

**SUBJECT: Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1328,  
Temporary Removal of 500-series Interim SDR Reply Codes from WebSDR Due to  
Lack of Systemic Programming Logic**

The attached change to DLM 4000.25, Defense Logistics Management Standards (DLMS), is approved for implementation.

Addressees may direct questions to [DLMS.SDR@dla.mil](mailto:DLMS.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 1328**  
**Temporary Removal of 500-series Interim SDR Reply Codes from**  
**WebSDR Due to Lack of Systemic Programming Logic**

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

<input checked="" type="checkbox"/>	Category	<input checked="" type="checkbox"/>	Category	<input checked="" type="checkbox"/>	Category
	Billing		Physical Inventory		Contract Admin
<input checked="" type="checkbox"/>	Discrepancies / Deficiencies		MILSTRAP		DoDAAD
	Serialization		MILSTRIP		MAPAD
	Small Arms/Light Weapons		MRA		LMARS
	pRFID		Disposition	X	DLM Publications
	GFP		DOD BRAC		

**3. REFERENCES:**

a. [DLM 4000.25](#), Defense Logistics Management Standards (DLMS), Volume 2, Supply Standards and Procedures, Chapter 17, Supply Discrepancy Reporting.

b. ADC 1005, Supply Discrepancy Report (SDR) Distribution to the Defense Contract Management Agency (DCMA)

**4. REQUESTED CHANGE(S):**

a. Brief Overview of Change:

(1) Due to the lack of system programming logic in current SDR systems, this change temporarily removes SDR 500-series interim reply codes listed in Appendix 7.28 (Supply Discrepancy Report Relevant Data Elements) as shown in Enclosure 1.

(2) In conjunction with the removal of Reply Code 501, DOD WebSDR will no longer identify the DCMA DoDAAC as the “current action activity” (retaining the activity that forwarded the SDR as the “original action activity”) or as a “secondary action activity” in the SDR database, since the use of Reply Code 501 will be removed and rejected if it is used.

WebSDR will not update or remove any previous SDR records that contained the 500-series interim reply codes, components will need to update these SDRs accordingly.

(3) Establish new WebSDR transactional rejection back to submitting system with Reply Code 945 when the listed 500-series codes are used erroneously and remove these codes from availability in WebSDR for online direct input use.

(4) This change revises DLM 4000.25 (DLMS) Volume 2, Chapter 17 to remove the business processes surrounding the use of these listed 500-series SDR interim reply codes as shown in Enclosure 2.

**b. Background:**

(1) ADC 1005 provides procedures for DOD WebSDR dissemination of action copies for DCMA investigation when directed by the action activity reply. This change will require WebSDR to identify the DCMA DoDAAC as the current action activity. The DCMA DoDAAC will also be retained as a secondary action activity for management reports and follow-on actions. However, neither WebSDR nor PDREP have the systemic capability at this time to transfer SDRs systemically to DCMA via Reply Code 501. In addition, the EBSO SDR team identified further issues with many of the other 500-series interim reply codes being used and how DSS interprets these codes. Systemic routing logic supporting the use of the listed codes is not in place. When the 500-series interim reply codes are transmitted on the SDR it causes the SDR to appear to the user it has been forwarded or transferred to the activity associated with the 500-series interim reply code. However, the SDR is not systemically transferred and remains in an open state in the current action activity's system, or the system receiving the 500-series interim reply code interprets the codes as they received the SDR for action but in fact the SDR was never systemically transferred for action.

(2) In addition, DCMA does not currently have functionality within PDREP to respond as an action activity when SDRs are forwarded to DCMA using Reply Code 501. When Reply Code 501 is used it has resulted in SDRs appearing to be assigned to DCMA for action when in fact they have not been systemically transferred to DCMA in PDREP.

**Staffing Note:** Components will need to identify existing records containing 500-series codes listed below that will need additional action and update the SDR accordingly.

(3) During discussion with the SDR community as part of our bi-monthly telecons, the community decided that the 500-series interim reply codes being removed will be available for use again, once the systemic functionality behind the codes is implemented. The redeployment of these codes will be communicated to the community prior to any code being added back in for use.

**c. Requested Change in Detail:**

(1) Temporarily remove 500-series interim reply codes from Appendix 7.28, as shown in Enclosure 1.

(2) WebSDR will remove the list of 500-series codes currently available for direct online input. Also, implement new edit for SDR transactions to reject any SDR

using the 500-series interim SDR Reply Codes listed below. WebSDR will reject transactions with new Reply Code (SDR reply code additions are shown in red bold italics).

***945 SDR Rejected. Invalid 500-series SDR Reply Code used.***

**Long text description of the rejection will state, “Invalid use of Interim Reply Code XXX. Use of this code is currently not authorized.”**

(3) Update DLMS, Volume 2, Chapter 17, to remove business rules regarding interim reply code procedures.

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

(1) Update DLMS Volume 2, Appendix 7.28, Supply Discrepancy Report Relevant Data Elements, to add new rejection Reply Code 945 as shown in paragraph 4.c.(2). Also, temporarily remove the 500-series interim reply codes as shown in Enclosure 1.

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

e. **REASON FOR CHANGE:** This change provides clarity and updates SDR procedures and business rules to eliminate selected 500-series interim reply codes from use.

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.

**7. ADDITIONAL COMMENTS TO CONSIDER:** None.

**8. ADDITIONAL FUNCTIONAL REQUIREMENTS:** None.

**9. ESTIMATED TIME LINE/IMPLEMENTATION TARGET:** Upon approval.

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

## 11. IMPACT:

- a. **New DLMS Data Elements:** None identified.
- b. **Changes to DLMS Data Elements:** SDR reply codes updated as shown above.
- c. **Automated Information Systems (AIS):** Block use of listed 500-series SDR Reply Codes.
- d. **Defense Automated Addressing System (DAAS):** Update WebSDR tables for revised SDR reply code list and implement new Reply Code 945 with the long text description of the rejection will state, “Invalid use of Interim Reply Code XXX. Use of this code is currently not authorized.”
- e. **Non-DLM 4000.25 Series Publications:** DOD Components may need to update internal operating procedures and other published Receipt/SDR guidance.

## 12. PROPOSED DLMS CHANGE (PDC) 1238 RESPONSE/COMMENT RESOLUTION:

	Component	Response/Comment	Disposition
1.	DLA	Concur with Comment. Comment: Components need to be able to be able to re-instate any 500 series code once system logic has been implemented in their system.	As noted.
2.	Navy	Concur without Comment.	As noted. Initially requested clarification of PDC 1329.
3.	Air Force	Concurs without comment.	As noted.
4.	US Army	Concurs as written.	As noted.
5.	USMC	None	Numerous follow up sent requesting a response.
6.	DAAS	Concurs aa written.	As noted.
7.	USTRANSCOM	Abstains.	As noted.
8.	AFSAC	See Air Force response.	As noted.
9.	DCMA	Concurs as written.	As noted.

**Enclosure 1, Appendix 7.28 (Supply Discrepancy Report Relevant Data Elements).  
Changes are identified with double strike through.**

- 107 Forward materiel to address shown for inspection/exhibit analysis (must use traceable and most economical means available).
- 108 Forward materiel to contractor address shown for inspection/exhibit analysis (must use traceable and most economical means available).
  
- ~~501 SDR assigned to Defense Contract Management Agency (DCMA) for investigation.~~
- ~~502 SDR resolution deferred pending receipt of exhibit.~~
- ~~503 Discrepancy report currently under investigation.~~
- 504 SDR forwarded to new action activity as shown.
- ~~505 SDR under investigation; SDR forwarded to activity identified for additional action.~~
- ~~506 Item has been transferred to new item manager; referred to CIM for disposition.~~
- ~~507 SDR forwarded to shipping depot for Proof of Delivery.~~
- ~~508 SDR forwarded to shipping depot for Evidence of Shipment.~~
- ~~509 SDR forwarded to local procurement office for action.~~
- ~~513 SDR forwarded to IL Directorate or Repair and Return Office for research of R&R case.~~
- ~~514 Discrepancy report forwarded to the packaging specialist for research.~~
- ~~515 Procurement/DCMA awaiting response from contractor.~~
- ~~516 Receipt of materiel returned by customer has not posted to date; under investigation.~~
- ~~517 Defense Finance and Accounting Service (DFAS) billing information requested.~~
- ~~518 Your SDR identifies a transportation discrepancy and is being processed as a Transportation Discrepancy Report (TDR).~~
- ~~519 Your SDR identifies a quality deficiency and is being processed as a Product Quality Deficiency Report (PQDR).~~
- 520 Discrepancy report materiel undergoing test/evaluation.
- 521 Discrepancy report resolution pending PQDR review.
- ~~522 Discrepancy report resolution pending investigation/response from item manager.~~
- ~~523 Manager notification to owner: return materiel to manager at current location.~~
- ~~524 Owner notification to manager: materiel returned at current location for credit.~~

- 525 Discrepancy validated by storage activity; credit recommended (use with 300-series forwarding reply code).
- ~~526 Credit authorized; storage activity issue reversal requested~~
- ~~527 SDR returned to storage activity/initial action activity for additional action; see remarks~~
- ~~530 Storage activity unable to perform requested issue reversal; see remarks. (Must use with 300-series forwarding reply code)~~

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

Revise Chapter 17 as shown. Changes are identified with double strike through.

*Preceding text not shown*

C17.3.2.9. Receipt Notification SDRs for Quality-Related Issues Identified During Distribution Center Receipt. Three-position Q-series discrepancy codes have been developed to accommodate materiel owners/managers with special programs requiring immediate visibility and notification of quality deficient (or potentially deficient) materiel received at the distribution center. These codes are applicable for reporting to ICP/IMMs via the SDR process, based upon special inspection requests by the materiel manager. These reports are contingent upon pre-existing receipt restriction requirements that identify the National Stock Number (NSN) and/or other screening criteria and specific actions the materiel managers expects the distribution center to perform. Some of the specific programs that require reporting of quality-related concerns for receipts, including new procurement and customer returns, are: items identified as customer return improvement initiative (CRII) items, critical safety items (CSI), items that failed under use, and items requiring First Article Testing. Additionally, receipt of PQDR exhibits will be reported to the owner or manager using the applicable three-position Q-series discrepancy code. For PQDR exhibits, report the receipt and SDR to the same organization (based upon the PMR, when available). Report suspended materiel in the appropriate supply condition code (SCC) under DLMS/MILSTRAP procedures, to include PQDR exhibit receipts in SCC Q and CSI in SCC L for procurement source receipts or SCC K for non-procurement source receipts. For other than PQDR exhibits or first article testing, provide the SDR to the manager with a distribution copy to the owner, if different. Disposition instructions for these SDRs will be provided by the manager. ~~(a response from the owner prior to the manager response will be considered premature and will result in a status update from the distribution center indicating that the SDR is still pending manager response (Reply Code 522)). The manager will provide an interim response if the SDR will remain open for an extended period pending investigation. If resolution of the SDR requires the materiel to be returned to the manager, the manager will request that the owner direct ownership transfer using "ship to self/shipment in place" procedures and provide document number(s) applicable to the original requisition (or a constructed document number) for reimbursement. Interim Reply Code 523 applies. The manager will provide a PMR to the distribution center to ensure proper processing of the receipt resulting from the shipment in place and to allow the manager to monitor for the directed return. The owner will provide an SDR reply with applicable document number(s) for credit and confirm materiel release order for ownership transfer at the current location. Interim Reply Code 524 applies. In this situation, the SDR will remain open until the manager has provided disposition instructions for the discrepant materiel and the distribution center has completed this action. At this point, the distribution center will provide a completion notice to the manager with an information copy to the original owner.~~



*Intervening text not shown*

~~**C17.3.12.1.2.1.4. Source of Supply Returning SDR Disposition Instructions to Storage Activity/Initial Action Activity after Storage Activity Response.**<sup>4</sup>~~

~~C17.3.12.1.2.1.4.1. Following initial action activity reply/forwarding and closure of the SDR by the initial activity system, the source of supply for the shipment may need to return the SDR to the storage activity/initial action activity to reopen the SDR and perform directed disposition instructions. To accomplish this, the SDR reply must identify the storage activity/initial action activity as the Transfer To party and the appropriate interim reply code: Reply Code 526 (Credit authorized; storage activity issue reversal requested) or Reply Code 527 (SDR returned to storage activity/initial action activity for additional action (see remarks)). WebSDR will recognize this construct and make distribution to the SDR submitter and the identified action activity (or reject inappropriately forwarded SDRs with Reply Code 945).~~

~~C17.3.12.1.2.1.4.2. The storage activity/initial action activity system must reopen the SDR upon receipt of the incoming reply. Storage activity/initial action activity personnel will review the requested disposition and respond as appropriate within 25 days. If the storage activity/initial action activity is able to complete the requested action, that activity will provide a new reply to the customer citing applicable reply codes including Reply Code 151 (Replacement/revised disposition/status; prior response is superseded). WebSDR will distribute the reply to the SDR submitter and to the source of supply based upon inclusion of the source of supply in the owner/manager/source of supply field.<sup>2</sup> If the storage activity/initial action activity is unable to complete the requested disposition for issue reversal, it may forward the SDR to the source of supply for action using Reply Code 530 (Storage activity unable to perform requested issue reversal) and the appropriate 300 series forwarding reply code. If the storage activity/initial action activity is otherwise unable to complete the requested disposition, the 300 series forwarding reply applies. The source of supply should contact DLA Distribution if it does not receive a response to the returned SDR within 30 days.~~

*Intervening text not shown*

~~C17.3.12.1.2.1.5. Item Manager Forwarding to Defense Contract Management Agency (DCMA). SDRs may only be forwarded to DCMA for action when the contract indicates that DCMA is responsible for inspection or acceptance. SDRs lacking this evidence of the discrepancy will make it difficult for DCMA to support a claim of vendor noncompliance. Therefore, if the SDR submitter did not provide evidential matter substantiating the discrepancy at time of creation, the item manager will reply to the SDR submitter and request additional information using Reply Code 404. The item manager will annotate in SDR remarks requesting photographs or~~

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<sup>4</sup>Refer to ADC 1217.

<sup>2</sup>Current processing uses a single multi-purpose field. Upon implementation of ADC 1126, separate discrete data fields will identify the owner, manager, and source of supply.

~~documentation supporting the discrepancy reported. DLA Distribution Centers will reply to the request for evidence of the discrepancy using a Status Update with Reply Code 321. Customers (or others lacking status update functionality) must provide an SDR Correction in response to the request. SDR submitters may upload attachments via SDR if their SDR system does not provide attachment functionality. DCMA is required to reply to SDRs forward for action (Reply Code 501) within 25 days. If DCMA is unable to conclude their investigation within 25 days, DCMA will generate an interim response (e.g., citing Reply Code 503 or 515) indicating the expected timeframe for closure.~~

~~C17.3.12.1.2.1.6. DCMA Response to the Item Manager. DCMA will include the findings of their investigation in the remarks; additional information may be included using the SDR attachment functionality. These findings may include but are not limited to: validation of reported discrepancy, cause of deficiency, responsibility of deficiency, and corrective action take to prevent reoccurrence of deficiency. DCMA will forward the SDR to the responsible item manager (original action activity) using the 300 series forwarding reply code. DCMA must provide the appropriate disposition reply in conjunction with the 300 series forwarding reply code regardless of whether or not contractor noncompliance is determined. The 300 series forwarding reply code dictates the structure of the reply transaction requiring the action activity identified as the item manager and will trigger the appropriate transfer of action in WebSDR and the receiving Component item manager system. If the item manager incorrectly forwards the SDR to DCMA for action, DCMA will return (forward) the SDR to the item manager with the appropriate 300 series reply code and clarifying remarks, (e.g., "Forwarding to DCMA for action not authorized; DCMA not responsible for inspection or acceptance.") The item manager will provide the final reply as appropriate.~~

*Intervening text not shown*

~~C17.3.13.2.10. DCMA will respond to SDRs forwarded for action within 25 calendar days.~~

*Intervening text not shown*

C17.3.13.3.2. Response Coordination. It is not the responsibility of the SDR initiator to forward copies of the SDR to all parties involved. Instead, it is the responsibility of the LIM to coordinate with the GIM for an appropriate response/disposition to the submitter. ~~The LIM may provide an interim response citing financial resolution and including Reply Code 506 (indicating the SDR is forwarded to the GIM for disposition of material) and the appropriate 300 series forwarding reply code. The transaction must identify the GIM as the RIC To in accordance with formatting rules for this type of forwarding. WebSDR will use this value to populate the Transfer To activity in the forwarded transaction, which will be provided to the customer and to the GIM. Additionally, the presence of Reply Code 506 will trigger WebSDR to provide an information copy of the SDR to the GIM. The LIM must maintain the SDR in an open status until the GIM has provided a disposition response.~~

*Intervening text not shown*

C17.3.20.1.1.6. DoD WebSDR will route submitter transactions for follow-up to the current action activity when SDR history indicates a new or updated action activity has been identified (such as based upon prior Reply Code 504, ~~526/527~~ or a 300-series reply code). WebSDR will disseminate other transaction types based upon the identified action activity (current action activity after Reply Code 504 forwarding) and SDR distribution rules.

*Intervening text not shown*

~~C17.3.20.2.6.2. New SDRs directed to DCMA as the initial action activity will be rejected with Reply Code 929 and remarks text indicating that the SDR must be submitted to the responsible Service/Agency action activity (e.g. ICP/IMM) whose the contract performance resulting in the reported discrepancy. DCMA may be identified as a distribution copy recipient.~~

*Intervening text not shown*

~~C17.3.20.2.20. WebSDR will reject Historical SDRs (Transaction Set Purpose Code 49) containing Reply Code 501 (SDR assigned to DCMA for investigation). SDRs forwarded to DCMA must be processed using a reply transaction through WebSDR in order to maintain visibility of the transfer of action. WebSDR will use Reply Code 938 (Transaction rejected. Missing or invalid disposition/reply code) and include the appropriate narrative remarks.<sup>3</sup>~~

~~C17.3.20.2.21. WebSDR will reject any SDR reply from DCMA that does not contain a 300-series forwarding reply. Use of the 300-series reply code is required to maintain visibility of the transfer of action back to the item manager(action activity). WebSDR will use Reply Code 927 (Transaction rejected. Missing or invalid disposition/reply code) and include the appropriate narrative remarks.<sup>4</sup>~~

~~C17.3.20.2.22. WebSDR will reject attempted return of SDRs to the storage activity/initial action activity using Reply Code 526/527 when the identified Transfer To party is not identified or consistent with SDR history (must be same action activity that received and processed the original SDR response) using Reply Code 945.<sup>5</sup>~~

*Intervening text not shown*

~~C17.3.20.4.4. WebSDR will forward SDR replies containing Reply Code 501 to DCMA for investigation. The SDR database will be updated to show DCMA as a secondary action activity and as the current action activity. The activity forwarding the SDR will be retained as the original action activity. Subsequent to the DCMA reply, WebSDR will reassign the original action activity as the current action activity, and the DCMA DoDAAC will be retained as a secondary action activity. Subsequent to~~

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<sup>3</sup> Refer to ADC 1181A.

<sup>4</sup> Refer to ADC 1181A.

<sup>5</sup> Refer to ADC 1217.

~~forwarding to DCMA, WebSDR will ensure that both DCMA and the original action activity receive all follow on transactions.~~

*Intervening text not shown*

~~C17.3.20.4.6.5. WebSDR will provide an information copy of the SDR to the GIM when an SDR is forwarded by the LIM to the GIM for disposition instructions after a logistics reassignment (Reply Code 506).~~