



**DEFENSE LOGISTICS AGENCY  
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May 21, 2021

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

**SUBJECT: Approved Standards Change (ADC) 1347B, Addendum to ADC 1347 Replies After  
SDR Closure Notices and Action Codes 1H and 3B (SDR)**

The attached change to DoD Enterprise Business Standards, as outlined in the attachment, is approved for implementation.

Addressees may direct questions to Mr. Ben Breen, Discrepancy/Deficiency Administrator, e-mail: [EBSO.SDR@dla.mil](mailto:EBSO.SDR@dla.mil). Others may contact their designated PRC representative available at <http://www.dla.mil/HQ/Information/s/Operations/DLMS/allpoc/>.

**THOMAS A. DELANEY**  
Director, Enterprise Business Standards Office

Attachment  
As stated

cc:  
ODASD(Logistics)

**ADC 1347B**  
**Addendum to ADC 1347, Replies After**  
**SDR Closure Notices and Action Codes 1H and 3B (SDR)**

**1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:** Enterprise Business Standards Office (EBSO), Mr. Ben Breen, Deficiency/Discrepancy Administrator, e-mail: [EBSO.SDR@dla.mil](mailto:EBSO.SDR@dla.mil).

**2. REFERENCES:**

a. Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1347, Mandatory Closure Notices for Supply Discrepancy Reports, June 29, 2020

b. ADC 1347A, Addendum to ADC 1347 Mandatory Closure Notices for Supply Discrepancy Reports, February 1, 2021

c. DLM 4000.25, Volume 2, Supply Standards and Procedures, Chapter 17, Supply Discrepancy Reporting

**3. APPROVED CHANGE(S):**

a. **Brief Overview of Change:**

(1) This addendum will enhance WebSDR processing rules for records with Action Codes 1H/3B. WebSDR will identify these SDRs as closed and put them in a “closed status.” When the Inventory Control Point (ICP) responds to these SDRs with any reply code (for example, a 103, 144 or any other reply), WebSDR will keep this SDR status as Closed. This will also allow WebSDR to properly update Supplier Performance Risk System (SPRS) if a reply changes, adds, or removes a cause code on an SDR with Action Codes 1H/3B but WebSDR will not reject this reply and will keep the status of the SDR as closed.

(2) Clarifies that WebSDR will allow a Completion Notification (Transaction Set Purpose Code (CN)) to be generated by the submitting system identification code. This will allow WebSDR to ensure that CNs are only generated by the system which created the SDR.

b. **Background:**

(1) Currently, SDRs with Action Codes 1H (No action required; information only) and 3B (Discrepancy reported for corrective action and trend analysis; no reply required) do not require the use of the CN to place the record in a closed status. ADC 1347 enhanced communication between the submitting SDR system and the action activity. It documents and expands upon procedures regarding CNs generated for all SDRs regardless of submitting system or activity. (References 3.a., 3.b., and 3.c.)

(2) Currently the DLMS 842A/R transaction does not allow for a DoDAAC to be used when creating a CN to close the SDR. Therefore, when a new (00) SDR is generated with

the submitter activity DoDAAC, when the CN is generated it is using the submitter activity Routing Identifier Code (RIC). WebSDR will only look at the submitting system identification code and validate the CN is generated by the same system which submitted the SDR. This will allow for better controls and ensure CN for SDRs will only process for SDRs created by the same system.

**c. Approved Change in Detail:**

(1) This addendum will enhance WebSDR processing rules for SDRs with Action Codes 1H/3B. WebSDR will identify these SDRs as closed and put them in a “closed status.” When the Inventory Control Point (ICP) responds to these SDRs with any reply code (for example, a 103, 144 or any other reply), WebSDR will keep this SDR status as Closed. This will also allow WebSDR to properly update SPRS if a reply changes, adds, or removes a cause code on an SDR with Action Codes 1H/3B but WebSDR will not reject this reply and will keep the status of the SDR as closed.

(2) Submitting SDR systems must be able to accept an SDR reply after the record has closed the SDR without causing rejections.

(3) WebSDR will validate the submitting system identification code, and only allow CNs to process for SDRs which the same system created the original SDR. If the submitting system identification code generating the CN is different from the system which created the new original (00) SDR, WebSDR will reject this transaction with Reply Code 950 (reference 3.a)

**d. Revisions to Defense Logistics Manuals:** Revise DLM, Volume 2, Chapter 17, Supply Discrepancy Reporting, as shown in the enclosure.

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

**4. REASON FOR CHANGE:** Allow for replies to process for Action Code 1H/3B SDRs while keeping the status of the SDR as closed.

**5. ADVANTAGES AND DISADVANTAGES:**

**a. Advantages:** SPRS will accurately reflect the vendor cause code after the vendor challenge process has been completed.

**b. Disadvantages:** None.

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

**7. ESTIMATED TIMELINE/IMPLEMENTATION TARGET:** Components to implement upon approval.

**8. IMPACT:**

**a. New/Changes Data Elements:** None identified.

**b. Automated Information Systems (AIS):** Product Deficiency Reporting and Evaluation Program (PDREP), GSA Vision, DLA Distribution Standard System (DSS), Army Logistics Modernization Program (LMP), Air Force Security Assistance and Cooperation (AFSAC), Air Force Wholesale DO35K, Air Force Integrated Logistics System Supply (ILS-S) and DLA Enterprise Business System (EBS) SDR systems must be updated to process SDR replies to change the cause code after the CN has posted. Also, submitting systems must be updated to accept an incoming SDR reply after the CN has posted and closed the SDR.

**c. Defense Automatic Addressing System (DAAS):** Update WebSDR to reflect changes identified in this change upon approval. Also, enforce generation of CNs by associating user roles to their System Access Request (SAR) roles and responsibilities. This will ensure only authorized personnel will be able to generate CNs for SDRs they are authorized to do so for.

**d. Non-DLM Publications:** None identified.

**9. PROPOSED DLMS CHANGE (PSC) 1347B RESPONSE/COMMENT RESOLUTION:**

	<b>Component</b>	<b>Response/Comment</b>	<b>Disposition</b>
1.	DLA	Concur without comment	As noted.
1.	Navy/PDREP	Concur without comment	As noted.
2.	Air Force	Concur without comment	As noted.
3.	US Army	Concurs without comments.	As noted.
4.	USMC	Concur without comment.	As noted.
5.	DAAS	Concur as written.	As noted.
6.	USTRANSCOM	None.	None noted.
7.	GSA	None.	None noted.
8.	ODASD	Concur without comment.	As noted.

## Enclosure

### Defense Logistics Manual (DLM) 4000.25, Volume 2, Supply Standards and Procedures

Make the following changes to Volume 2. Additions are shown in *red bold italics* and deletions shown in double strikethrough.

#### Chapter 17, Supply Discrepancy Reporting

*Intervening text not shown*

C17.3.12.1.2.5. Completion Notification.<sup>1</sup> The submitting system will use a completion notification, identified by Transaction Set Purpose Code CN **or Completion Notification** in the SDR reply, will be used by the submitter to communicate with the action activity that final action has been taken on an SDR requiring a materiel disposition action. The SDR system receiving the **Completion Notification** may close the SDR as well or keep it open for additional actions. Submission of a **Completion Notification** is required for all SDRs prepared by the submitter, with the exception of those clearly identified as being provided for information only and requiring no action activity reply (SDR Action Codes 1H or 3B only). **Action Code 1H or 3B SDRs will automatically be placed into a closed status in WebSDR metrics.** The completion notice may not be used to modify originally reported SDR data elements. The following sub-paragraphs provide more detailed information regarding **Completion Notification** processing.

C17.3.12.1.2.5.1. When a **Completion Notification** processes against an SDR, the SDR cannot be reopened. The **Completion Notification** puts the SDR into a closed status and signifies the submitter has taken disposition action provided by the action activity. For SDR Document Type Code 6/9/P/W, WebSDR will process a Reply (Transaction Set Purpose Code 11) only when the action activity determines the cause code needs to be updated after the vendor challenge process has been completed. **WebSDR will also allow a reply to process for all SDRs with Action Code 1H or 3B regardless of reply code. This will allow a Cause Code, acknowledgment (103) or any other reply indicating pertinent information to process on the SDR. All SDRs with the Completion Notification or Action Code 1H or 3B will remain in a closed status regardless if a reply processes.** ~~WebSDR will reject any other subsequent transaction submitted after a CN has processed with Reply Code 952.~~

C17.3.12.1.2.5.2. **Completion Notifications** can only be generated by the submitting system. WebSDR will reject with Reply Code 950 any attempt to generate a **Completion Notification** for an SDR that did not originate in the submitting system.

C17.3.12.1.2.5.3. The submitter will use a **Completion Notification** to inform the action activity that all action is complete using Reply Code 410.

C17.3.12.1.2.5.4. Under selected scenarios, the submitter will provide a completion notice without a response from the owner/manager when the SDR is automatically closed immediately after transmission. SDR Action Codes 1B (Materiel being

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<sup>1</sup> Refer to ADC 1044A Clarification of Business Rules associated with SDR Replies for Status Update and Completion Notification

retained) and 1G (Reshipment not required; item to be re-requisitioned) apply. A completion notice will be provided using Reply Code 410.

C17.3.12.1.2.5.5. The submitting system will prepare a completion notification using Reply Code 411 to notify the action activity that the SDR has been closed due to zero balance on record. This will not result in an investigation as it is generally the result of processing a release order during the interim period after the SDR was prepared and prior to execution of the disposition instructions. The action activity may close the SDR due to the materiel no longer being available. If SDR is a Document Type 9, then the action activity must take further action to locate new procurement materiel.

**C17.3.12.1.2.5. Exceptions to the Completion Notification (CN) Requirement. SDRs with Action Codes 1H and 3B do not require the Completion Notification and will be placed in a closed status. When a reply is submitted, it will be posted to the record, but remain in the closed status without being systemically rejected by WebSDR.**

*Intervening text not shown*

#### C17.3.19. Defense Automatic Addressing System (DAAS) SDR Processing

C17.3.19.1. Under DLMS, SDRs are integrated with standard logistics transaction processing through DAAS. DLMS transaction formats are available in ASC X12 EDI or EDI-based XML. Guidance for transaction content is provided in DLMS ICs available on the DLMS IC page. DoD WebSDR will perform the following actions:

*Intervening text not shown*

C17.3.19.1.2.9. Edit new submission SDRs (transactions and direct input) to enforce the serial number convention that the serial number maximum field length may not exceed 30 characters and may only include alpha numeric (A-Z, 0-9), dashes and forward slashes. Spaces are not allowed. Reject SDRs with serial numbers not meeting this convention using new Reply Code 947 (Transaction Rejected. Invalid serial number length or convention.

C17.3.19.1.2.10. WebSDR will reject with Reply Code 952 any subsequent transaction submitted after a **Completion Notification** has processed except when the action activity must update the vendor non-compliance cause code once the DOD vendor challenge process is completed for SDR Document Type Codes 6/9/P/W SDRs.

C17.3.19.1.2.11. WebSDR will reject with Reply Code 950 any attempt to generate a **Completion Notification** for an SDR that did not originate in the submitting system.

C17.3.19.1.2.12. WebSDR will reject with reply code 927 any **Completion Notification** with a reply code other than 410, 411 or 412. The narrative rejection comments will state "Reply Code 410, 411 or 412 are the only authorized reply codes used with **Completion Notification** transactions."

***C17.3.19.1.2.13. WebSDR will place SDRs with Action Codes 1H or 3B into a closed status. The ICP may respond with any reply code (for example, a 103, 144 or any other reply) and WebSDR will process any replies without rejecting them and the record will remain in the closed status.***