



**DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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FORT BELVOIR, VIRGINIA 22060-6221**

February 10, 2020

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

**SUBJECT: Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1356,
Bar Code Use for Receiving DLA Product Quality Deficient Report (PQDR)
Exhibit Returns (PQDR/SDR)**

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. Others must contact their designated SDR PRC available at <https://www.dla.mil/HQ/InformationOperations/DLMS/allpoc/>.

DREXEL K. ROSS
Director
Enterprise Business Standards Office

Attachment
As stated

cc:
ODASD(Logistics)

Attachment to ADC 1356

Bar Code Use for Receiving DLA Product Quality Deficient Reports (PQDR) Exhibit Returns

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. **Technical POC:** DLA Enterprise Business System (EBS): J344, Makeya Porter, Makeya.Porter@dla.mil, 571-767-4504

b. **Functional POC:** DLA: J344, Steven Nace, Steven.Nace@dla.mil, 571-767-6582

2. FUNCTIONAL AREA LOGISTICS AND TRANSACTION CHANGES:

a. **Primary/Secondary Functional Area:** Supply/ Product Quality Deficiency Reporting

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
X	Discrepancies / Deficiencies		MILSTRAP		DoDAAD
	Serialization		MILSTRIP		MAPAD
	Small Arms/Light Weapons		MRA		LMARS
	pRFID		Disposition	X	DLM Publications
	GFP		DOD BRAC		

3. REFERENCES:

a. DLAR 4155.24/AR 702-7/AFI 21-115/SECNAVINST 4855.5B/DCMA-INST-305 PQDR Program.

b. DLM 4000.25, Supply Standards and Procedures, Volume 2, Chapter 12 Due-In and Pre-Positioned Materiel Receipt and Chapter 13 Materiel Receipt

c. Approved DLMS Change 1249, Revised Procedures for Directed Return of Discrepant/Deficient Materiel including New Document Number Assignment for Return Shipment (SDR/MILSTRIP/MILSTRAP/Supply), December 22, 2017 (Phased/Staggered).

d. Approved DLMS Change 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 (Approved for phased implementation)

e. DLA eSOP, Product Quality Deficiency Reporting (PQDR) Exhibit Returns, August 23, 2018

4. REQUESTED CHANGE(S):

a. **Brief Overview of Change:** This change applies to directed materiel return of DLA product quality deficient report (PQDR) exhibits to DLA Distribution as part of a PQDR investigation. This approved change will allow DLA Distribution to receipt PQDR exhibits (materiel) using information on a DLA-provided PQDR bar code label in lieu of the documentation and paperwork accompanying the shipment. DLA recently started to provide the label to the PQDR customer. In addition to the bar code, the label contains the statement, "PQDR EXHIBITS (MATERIEL) / PRE POSITION MATERIAL Number XX". The bar code contains the PMR document number and the statement: "Place in Condition Code Q in SMS account. PQDR report control number (RCN) XX; the national stock number XX." (Reference 3.a.). **Updates subsequent to PDC staffing are highlighted in green.**

b. **Background:**

(1) Under the DLA procedures, the DLA Action Point directs return of PQDR exhibits using the original requisition document number or a constructed document number. DLA creates a PMR and provides the bar code label, also using the original requisition document number, or when unavailable, a constructed document number. If the customer returning the materiel substitutes a different document number due to internal Service system constraints preventing compliance with the Action Point's instructions, and subsequently ships the PQDR exhibits using a different document number.

(2) Defense Logistics Management Standards (DLM) 4000.25 Chapter 13, section C13.2. (Reference 3.b.) directs DLA receiving personnel to receipt Navy, Marine Corps, and Air Force unauthorized returns of consumable materiel by service customers into their respective accounts, identified by the DoDAAC annotated on the Form DD1348. This instruction creates a problem in accounting for PQDR materiel exhibits in the DLA Distribution Centers when the customer does not follow DLA directions to ship the PQDR exhibit under the DLA document number used to prepare the pre-positioned materiel receipt (PMR). ADC 1249 allows managers to assign a new document number for directed returns of materiel. (Reference 3.c.)

(3) ADC 353A revised procedures for directed return of discrepant/deficient materiel, establishing a second document number data field in the PMR. It also returns shipment status to the Service as a cross-reference when the document number for the return differs from that on the original order/shipment. (Reference 3.d.)

c. **Requested Change in Detail:** The DLA Distribution Center will disregard the document number on the shipping documentation (even when it matches a customer-provided shipping document number). Instead, the distribution center will use the DLA bar code label document number to record the receipt into the DLA (SMS) account. The DLA procedures are a

work-around designed to circumvent customer system constraints that do not allow directed returns using the original requisition document number or a constructed document number.

Staffing Note: During adjudication of staffing comments received from US Air Force, a separate issue was identified for the potential need for DLA Distribution to generate a materiel receipt confirmation when materiel is returned to a DLA Distribution Center. EBSO agreed to pursue this topic at a future Supply Process Review Committee (PRC) meeting.

d. Revisions to DLM 4000.25 Manuals: Update the DLMS 4000.25 Volume 2, Chapter 13 Materiel Receipt, as shown in Enclosure 1.

e. Approved Transaction Flow: Standard receipt/receipt reversal and SDR transaction flows apply.

f. Alternatives: None identified.

g. REASON FOR CHANGE: Failure to return materiel on the assigned document number causes DLA to lose visibility of the materiel resulting in manual research and can cause significant delays in the investigation of reported deficiencies and issuing of credit to the customer. When the distribution center receipts the exhibit to the returning Service's ownership, the Service may not recognize the situation and may issue the materiel to DLA Disposition Services or redistribute it within the Service. Services identifying system constraints preventing accomplishment of DOD standard return procedures under the original document number (as reported by Army and Marine Corps personnel) must take corrective action to comply.

5. ADVANTAGES AND DISADVANTAGES:

a. Advantages: Use of DLA-provided barcode labels is required to ensure proper receipt of DLA directed PQDR exhibit returns into the correct ownership account and mitigate the potential exhibit losses. The result of not using the DLA-provided barcode is that the PQDR returns appear to the distribution center as unauthorized returns; the distribution center receipts the exhibits accordingly. When exhibits are required as part of a PQDR investigation, DLA issues a letter to the Service customer(s) with instructions on where and how to ship the materiel. This letter of instruction is in full compliance with DLM 4000.25. However, loss of control over PQDR exhibits remains due to customer failure to comply with DLA guidance. The use of the label allows easy recognition of PQDR exhibits destined for DLA to ensure proper receipt and tracking of the item when it arrives at a DLA Distribution Center.

b. Disadvantages: Without exterior packaging labeling, the package is at risk of receipt into a Service account vice a DLA account when it arrives at DLA Distribution.

6. ASSUMPTIONS USED OR WILL BE USED IN THE CHANGE OR NEW

DEVELOPMENT: This change applies until Service systems become DLMS Compliant or it is withdrawn.

7. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: Procedures are effective upon publication of the approved change.

8. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE:

DLA cannot derive a cost avoidance for additional man hours needed to track materiel and rework SDR guidance when the customer does not utilize the DLA provided document number for PQDR exhibit shipment. Furthermore, corrective action for materiel receipted to the wrong owner due to receipt with the wrong PMR vice a DLA document number can be labor intensive. Receipting PQDR exhibits to the wrong owner causes inventory to be misstated and results in incorrect transactions for issue and receipt to the wrong owner. It also results in delays in completing PQDR Investigations and unnecessary suspension of stock.

9. IMPACT:

a. **New DLMS Data Elements:** n/a.

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

(1) Components must upgrade systems to support use of a new document number for directed return of discrepant/deficient materiel for return of PQDR exhibits to the designated DLA Distribution Center. This includes processing to correlate the original and new document numbers and to populate the cross-reference document number in the PMR, shipment status, materiel returns, and receipt transactions.

(2) Components systems that do not currently support directed return from the customer's location on the original document number or a new document number assigned by the activity directing the return must take action to upgrade these systems to support standard procedures. Customers must have the capability to return discrepant/deficient materiel in accordance with the instructions provided.

c. **Non-DLM 4000.25 Series Publications:** Process revisions may require updates to internal operating procedures and other published SDR, PQDR, guidance.

10. PROPOSED DLMS CHANGE (PDC) 1354 RESPONSE/COMMENT RESOLUTION:

	Component	Response/Comment	Disposition
1.	DLA	Concur with no comments.	As noted.
2.	Navy	Concur without comment.	As noted.
3.	Air Force	Concur with comment. 1. Official Comments: Concerns exist regarding the PQDR Exhibit shipment and lack of receipt confirmations. 2. Recommended resolution: Develop materiel receipt confirmation when materiel is received to a DLA Distribution Center.	As noted. 1. EBSO clarified to the USAF that DLA is providing the BAR Code label and there is no component requirement for labels and equipment. 2. During adjudication of staffing comments received

			from US Air Force a separate issue was identified for the potential need for DLA Distribution to generate a materiel receipt confirmation when material is returned to a DLA Distribution Center. Addressing comment 2, EBSO agreed to pursue this topic at a future Supply Process Review Committee (PRC) meeting.
4.	US Army	Concur with comment	Army requested DLA provide them with several internal DLA process and procedures on how DLA works PQDRs in their system. EBSO forwarded this information to the DLA PQDR POCs and informed the Army to work with DLA for further information.
5.	USMC	Concur without comment	As noted.
6.	DAAS	Concur without comment	As noted.
7.	USTRANSCOM	No Response	As noted.
8.	ODASD	Concur without comment	As noted.

Enclosure, Update DLMS Volume 2, Chapter 13 Materiel Receipt as shown below.

Preceding text not shown.

C13.2.9.3.10.9. Product Quality Deficiency. An SCC Q entered in a PMR file shows that the receipt is related to a reported product quality deficiency. Report receipt of this materiel in SCC Q and do not cite a management code. Based on the results of the inspection or technical/engineering analysis, owners will direct the appropriate materiel disposition.

C13.2.9.3.10.9.1. When DLA directs the return of PQDR exhibits to a DLA distribution center, and the exhibits are a DLA managed item, the exhibits are receipted into DLA ownership using information included on the exterior of the package that includes a DLA document number, the PQDR report control number, the NSN, and a barcode.

C13.2.9.3.10.9.1.2. Additionally, when the receipt is applicable to a Product Quality Deficiency Report (PQDR) exhibit, include the PQDR Report Control Number (RCN) and designate a copy of the receipt transaction for distribution to the Product Data Reporting and Evaluation Program-Automated Information System (PDREP-AIS). SCC Q is applicable to exhibits returned for evaluation and returned subsequent to testing.

Enclosure 2, DLA PQDR Exhibit Return Label Template (DLAR 4155.24/AR 702-7/AFI 21-115/SECNAVINST 4855.5B/DCMA-INST-305 PQDR Program) (Reference 3.a.)

**PQDR EXHIBITS (MATERIEL) / PRE POSITION
MATERIAL**

Document Number



Place in Condition Code "Q" in SMS account

RCN

NSN