



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

May 13, 2020

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

**SUBJECT: Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1369,  
Increase Packaging Threshold Dollar Amount for Supply Discrepancy Reports  
(SDR) Defense Logistics Agency (DLA) Owned Materiel (SDR)**

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

Addressees may direct questions to the EBSO SDR Administrator, Mr. Ben Breen, at email: [EBSO.SDR@dla.mil](mailto:EBSO.SDR@dla.mil). All others must contact their Component designated Supply PRC representative or SDR PRC representative available at: <https://www.dla.mil/HQ/InformationOperations/DLMS/allpoc/>.

TERESA W. SMITH  
Director, Strategic Data Services  
DLA Information Operations

Attachment  
As stated

cc:  
ODASD(Logistics)

**ADC 1369**  
**Increase Packaging Threshold**  
**Dollar Amount for SDR DLA Owned Materiel**

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

- a. **Technical POC:** Jennifer Smith, DLA Tech Quality Packaging Program Manager
- b. **Functional POC:** Jennifer Smith, DLA Tech Quality Packaging Program Manager

**2. FUNCTIONAL AREA LOGISTICS AND TRANSACTION CHANGES:**

- a. **Primary/Secondary Functional Area:** Supply Discrepancy Reporting (SDR), Finance, Distribution (Preservation, Packaging, Packing, and Marking PPP&M),
- b. **Primary/Secondary Functional Process:** SDR Re-Packaging/Labelling Threshold
- c. **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. Defense Logistics Manual (DLM) 4000.25, Defense Logistics Management Standards (DLMS), Volume 2, Chapter 17, Supply Discrepancy Reporting
- b. Defense Logistics Agency Instruction, DLAI 4145.4/AR 740-3/AFMAN 23-125/NAVSUPINST 4400.100A, "Stock Readiness", dated November 9, 2012

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

- a. **Brief Overview of Change:** This approved change increases the cost threshold to remediate discrepant packaging for all DLA owned materiel from \$300 to \$1000 per supply discrepancy report (SDR). This change also removes the DLA managed clothing and textile commodities specific \$500 threshold. There is no change or impact to Service owned materiel.

**b. Background:** Currently, DLA Distribution Centers remediate packaging discrepancies to include markings/labels that are under \$300 and submit the SDR back to the owner for informational purposes. In November 2019, DLA leadership increased the threshold for all DLA owned materiel to \$1000 dollars.

**c. Approved Change in Detail:** Administrative change to the document which increased the threshold for the cost to remediate packaging for DLA owned materiel. This proposed change removes the \$500 threshold for DLA managed clothing and textile commodities. All Service owned materiel will remain at the current threshold of \$300 dollars per SDR.

**d. Revisions to DLM 4000.25 Manuals:** Administrative change only to Defense Logistics Manual (DLM) 4000.25, Defense Logistics Management Standards (DLMS), Volume 2, Chapter 17, Supply Discrepancy Reporting, as shown in the enclosure.

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

**f. Alternatives:** None noted.

**5. REASON FOR CHANGE:** Administrative only

**6. ADVANTAGES AND DISADVANTAGES:**

**a. Advantages:** Allows DLA owned materiel that is under the repackaging threshold dollar amount to be placed in a ready for issue condition and available to our customer requisitions. Also avoids materiel from being suspended and unavailable for long periods of time.

**b. Disadvantages:** None

**7. ASSUMPTIONS USED OR WILL BE USED IN THE CHANGE OR NEW DEVELOPMENT:** None

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

**9. ADDITIONAL FUNCTIONAL REQUIREMENTS:** None

**10. ESTIMATED TIME LINE/IMPLEMENTATION TARGET:** None, already implemented by DLA.

**11. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE:** There is no cost figure available at this time, but this update will result in receivers submitting materiel to PPP&M shop for remediation when materiel is under the \$1000 threshold.

**12. IMPACT:**

- a. **New DLMS Data Elements:** None Identified
- b. **Changes to DLMS Data Elements:** None
- c. **Automated Information Systems (AIS):** None
- d. **Defense Automatic Addressing System (DAAS):** None

e. **Non-DLM 4000.25 Series Publications:** Defense Logistics Agency Instruction, DLAI 4145.4/AR 740-3/AFMAN 23-125/NAVSUPINST 4400.100A, "Stock Readiness", dated November 9, 2012, requires update.

**13. 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.  USAF: Will this have any effect on FMS DLA SDR's that are at \$200? EBSO Response: No impact. The \$1000 corrective packaging cost \$1000 threshold is applicable to DLA owned materiel only.	As noted.  This change is exclusive to DLA owned materiel and does not impact the current SA/FMS DLA Supply Discrepancies \$200 repackaging threshold.
4.	US Army	Concur without comment.	As noted.
5.	USMC	Concur without comment	As noted.
6.	DAAS	Concur without comment	As noted.
7.	USTRANSCOM	Abstains.	As noted.
8.	GSA	N/A	N/A
9.	ODASD	Concur with comment.  1. This PDC applies only to DLA owned material, and addresses the correction of incorrectly packaged material, correct? Does it include documentation errors, or only packaging? 2. What impact, if any, will this change have on corrective action taken against suppliers for documentation or packaging errors? 3. What about DLA-managed materiel that DLA does not own: is that considered Service-owned materiel, and therefore not covered under this PDC? What happens to	As noted.  1. This PDC only applies to packaging discrepancies.  2. DLA will still need to coordinate with suppliers regarding nonconforming material. This change doesn't affect this process.

		<p>the material that DLA manages for the Services as the document now covers DLA Owned and Service Owned only?</p> <p>4. If the cost of correcting the packaging is less than \$1000, DLA can make the correction without notifying the owner beforehand and submit the SDR after the correction has been made, correct?</p> <p>5. If the material is service owned and the cost of correcting the packaging is more than \$300, the service has to be notified, correct?</p>	<p>3. This PDC is only applicable to DLA owned materiel. It does not apply to Service owned materiel regardless if DLA is the manager.</p> <p>4. The SDR is submitted at time of receipt, materiel stays in an issuable condition and is remediated at time of receipt.</p> <p>5. If the materiel is service owned and the cost of correcting the packaging is more than \$300, an SDR is created and sent to the owner and materiel is suspended.</p>
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**Enclosure, Update DLMS Volume 2 Chapter 17, Supply Discrepancy Reporting, as shown below:**

*Preceding text not shown*

C17.3.2.8.2.1. For DLA-~~managed~~-**owned** materiel only, if the cost to correct the discrepant packaging of materiel received by the DLA Distribution Center ~~has a PMR on file, no item discrepancies are noted, is a secondary item~~ is less than \$~~300~~**1000**, the DLA Distribution Center may perform the corrective action without authorization from the owner. ~~/manager based upon prior agreement.~~ The SDR will be provided to the owner/~~manager~~ for information only using Action Code 1H or 3B. ~~For DLA-managed clothing and textile commodities, the authorized threshold is \$500.~~