



SUSTAINMENT

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

MEMORANDUM FOR SUPPLY DISCREPANCY REPORTING PROCESS REVIEW COMMITTEE

SUBJECT: Approved Defense Logistics Management Standards Change 1430, Supply
Discrepancy Reporting and Storage Quality Control Report Split Disposition
Procedures

The Defense Logistics Management Standards change, as outlined in the attachment, is approved for implementation.

Addressees may direct questions to Ben Breen, e-mail: DEDSO.SDR@dla.mil. Others must contact their designated Process Review Committee representative available at <https://www.dla.mil/Defense-Data-Standards/Committees/Contacts/>.

Leigh E. Method, SES
Deputy Assistant Secretary of Defense
for Logistics

Attachment:
As stated

cc:
OUSD(C)
DLA J6DS

Approved Defense Logistics Management Standards Change 1430 Supply Discrepancy Reporting and Storage Quality Control Report Split Disposition Procedures

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. **Technical POC:** Defense Logistics Agency (DLA), DLA HQ, J-345, Troy Brown, (717) 770-3120 or DSN (771), Troy.Brown@dla.mil

b. **Functional POC:** Defense Enterprise Data Standards Office (DEDSO), Ben Breen. DoD Discrepancy/Deficiency Reporting Administrator, (614)-692-2317 or DSN (850), Benjamin.Breen@dla.mil

2. REASON FOR CHANGE: Significant changes after staffing the proposed change are in green shade

a. **Bottom Line Up-Front:** This change addresses instances when Supply Discrepancy Reports (SDR) and Storage Quality Control Reports (SQCR) require split disposition provided by the action activity. The split disposition will only apply when the action activity is requesting the discrepant total quantity to be placed in supply condition codes (SCC) that do not remain in a suspended condition code. For example, there are 10 pieces on the SDR/SQCR and the action activity would like five pieces to be placed in SCC A - Serviceable (Issuable Without Qualification), and the remaining five pieces to be placed in SCC H - Unserviceable (Condemned). When the SDR or SQCR disposition instructions require discrepant item(s) be shipped, the action activity must transmit the Materiel Release Order/Disposal Release Order prior to shipment. This change will not apply for SDRs reporting missing serial numbers.

b. **Background:** On March 15, 2022, SDR and SQCR stakeholders from DLA and Army met with DEDSO to discuss questions culminating from the Army Logistics Modernization Program implementation of Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1377C, Transmitting Storage Quality Control Reports Update to DLMS 842 A/W DLMS Notes in Supply Discrepancy Report Transmission (Reference 10.a). During the meeting, the split disposition scenario was discussed, and it was determined that there were no processes in place to accommodate SDRs or SQCRs where a split disposition would be required.

3. CHANGE IN DETAIL:

a. Technical Details:

(1) The SDR/SQCR action activity provides disposition instructions using the current SDR/SQCR reply process flow.

(2) The SDR/SQCR action activity will use standard interim Reply Code 104 - Additional information required from submitter; see remarks., to request additional information from the original submitting activity as needed and provide disposition using the standard

process.

(a) In cases where an SDR/SQCR requires a split disposition, the action activity will submit the SDR/SQCR disposition instructions reply with two or more reply codes (Reference 10.b) for each disposition in the remarks field as needed, e.g., Reply Codes 110 - Disposal authorized in accordance with local procedures, and 130 - Place materiel in stock as is. The responder will need to reference the reply code and specify the quantity to the corresponding disposition instructions in the remarks field in long text.

(b) In cases where the assets have Serial Numbers (S/N) or Unique Item Identification (UII) requirements, and the action activity wants to disposition by S/N or UII, they will provide the exact disposition instructions to the corresponding S/N or UII they desire in the long text, in addition to the systemic disposition.

(c) When the disposition instructions exceed the capacity of the remarks field (800-character limit in Defense Automatic Addressing System WebSDR and 700 characters in Distribution Standard System), the action activity will annotate in the remarks field that an email was sent to ddcbsmqn@dla.mil with additional information. This allows for systemic disposition and an audit trail for the disposition that was sent offline (Reference 10.a.).

(d) Once disposition and associated instructions are provided, the SDR can be closed using the normal SDR/SQCR processes.

b. **Revised Transaction Flow:** Standard SDR/SQCR process flow applies.

4. **IMPLEMENTATION TARGET:** Upon Approval.

5. **TECHNICAL IMPACT:**

a. **Additions or Changes to Data Elements:** No impact.

b. **Automated Information Systems (AIS):** No impact.

c. **Defense Automatic Addressing System (DAAS):** No impact.

6. **PUBLICATION/POLICY IMPACT:**

a. **Defense Logistics Manual (DLM) 4000.25:** This change revises DLM 4000.25, Volume 2, Chapter 17, Supply Discrepancy Reporting, as specified in the enclosure.

b. **Non-DLM 4000.25 Publications:** DoD Components will update internal guidance as appropriate.

7. **ASSUMPTIONS:** None.

8. **FINANCIAL IMPROVEMENT AND AUDIT REMEDIATION (FIAR), MATERIAL**

WEAKNESS, AND AUDIT-RELATED INFORMATION:

- a. **Notices of Findings and Recommendations (NFR):** None.
- b. **Corrective Action Plan (CAP) Reference:** None.
- c. **Other FIAR, Material Weakness, and Audit-Related Information:** None.

9. END-TO-END TESTING REQUIREMENTS: Not applicable.

10. REFERENCES:

a. ADC 1377C, Transmitting Storage Quality Control Reports Update to DLMS 842 A/W DLMS Notes in Supply Discrepancy Report Transmission, November 9, 2021

b. DLM 4000.25, Defense Logistics Management Standards (DLMS), Volume 2, Supply Standards and Procedures, Appendix 7.28, Supply Discrepancy Report Relevant Data Elements, April 9, 2022

c. DLM 4000.25, Defense Logistics Management Standards (DLMS), Volume 2, Supply Standards and Procedures, Chapter 17, Supply Discrepancy Reporting, April 9, 2022

11. Approved DLMS CHANGE (ADC) 1430 RESPONSE/COMMENT RESOLUTION:

	Component	Response/Comment	Disposition
1.	ODASD(Logistics)	Signed PDC 1430 with comments.	PDC updated prior to signature.
2.	Army	Concur.	As noted.
3.	Navy	Concur with comment. Comments: NAVSUP has reviewed the attached PDC and concurs with the PDC with one suggested minor edit: 3.a.(1) discusses the disposition process, therefore the sub paragraphs of (a) through (d), which are currently under 3.a.(2), should be under 3.a.(1). 3.a.(2) is related to a 104 request for more information and does not require sub discussion.	As noted, ADC format unchanged as there is no impact to content.
4.	Marine Corps	Concur with comments. Comments: 1.The PDC does not address when a split in the receipt by DLA at their location and how the transaction will be transmitted back to the APSRs. 2. The PDC does not offer recommendations as to how the new SDR system will address the split in the receipt associated with the MRO disposition.	DEDSO Response: Held meeting with USMC on 11/4/22 to provide clarification that this PDC does not impact the USMC receipt/MRO process upon SDR disposition.
5.	Air Force	Concur.	As noted.

6.	DLA	<p>Concur with comments.</p> <p>Comments:</p> <ol style="list-style-type: none"> 1. Omit split disposition for SDR/SQCR for missing SN. 2. Recommend to re-word as follows: When the disposition instructions exceed the capacity of the remarks field (800-character limit in WebSDR and 700 in Distribution Standard System (DSS)), the action activity will annotate in the remarks field that an email was submitted to ddcbsmqn@dla.mil with additional long text information, due to character limits. This action allows for systemic disposition and provides evidential matter for audit of the disposition that was provided outside system. 3. Numbering appears to be off/repeated C17.3.12.1.2.2 was already listed/use on page 1. Should paragraph C17.3.12.1.2.2 on page 2 be identified as C17.3.12.1.2.6. 	<p>As noted.</p> <ol style="list-style-type: none"> 1. Added the following to paragraph 2.a." This change will not apply for SDRs reporting missing serial numbers." 2. Updated narrative added to the ADC. 3. ADC updated. Changed to read "C17.3.12.1.2.7."
7.	DAAS	Concur.	As noted.
8.	USTRANSCOM	No response.	No response.

Enclosure

Revisions to Defense Logistics Manual (DLM) 4000.25, Volume 2, Supply Standards and Procedures, Chapter 17, Supply Discrepancy Reporting

Additions are identified by **red bold italics**. Significant changes after staffing the proposed change are in green shade.

C17.3.12. Responsible Action Activity Response to an SDR

[Intervening text not shown]

C17.3.12.1.2. Replies. Action activities will reply to SDRs/**SQCRs** by submission of a DLMS 842A/R to WebSDR or via direct WebSDR input. SDR replies will indicate the appropriate disposition, (e.g., acknowledgement of the report, disposition of the materiel, validation of the report with authorization of financial adjustment, and/or instructions for repackaging, repair, or other types of corrective action). **SDR replies made by the action activity may require multiple dispositions under certain circumstances.**

C17.3.12.1.2.1. Action activities may provide multiple dispositions when appropriate and provide disposition instructions for each reply code in the remarks field citing the reply code with the associated disposition. The responder will have to reference the reply code and specify the quantity to the corresponding disposition instructions in the remarks field in long text.

C17.3.12.1.2.2. In cases where the assets have Serial Numbers (S/N) or Unique Item Identification (Ull) requirements, and the action activity wants to disposition by S/N or Ull, they will provide in the long text the exact disposition instructions to the corresponding S/N or Ull they desire in addition to the systemic disposition.

C17.3.12.1.2.3. When the disposition instructions exceed the capacity of the remarks field (800-character limit in WebSDR and 700 in Distribution Standard System (DSS)), the action activity will annotate in the remarks field that an email was submitted to ddcbsmqn@dla.mil with additional information, due to character limits. This action allows for systemic disposition and provides evidential matter for an audit trail for the disposition that was sent offline. This email only applies to DLA Distribution Created SDR/SQCRs type 5, 8, 9, and R.

C17.3.12.1.2.4. When the SDR or SQCR disposition instructions require that the discrepant item(s) be shipped, the action activity must transmit the Material Release Order/Disposal Release Order (MRO/DRO) requesting movement or shipment of materiel.

C17.3.12.1.2.5 SDR replies must contain the appropriate discrepancy code consistent with all information provided by the customer. The action activity may need to update the discrepancy codes used by the customer to assign the appropriate discrepancy code for the scenario described in the SDR remarks. The action activity will identify the disposition/status using the appropriate Reply Code (Appendix 7.28) **with detailed instructions in the remarks field**. Action activities may include the applicable Cause Code (CN/CP/CS) in the SDR to provide better visibility of the underlying reason for the SDR; cause codes are required for SDR (Document Type Code 6/9/P/W) associated with contractor/vendor noncompliance. Upon subsequent determination that contractor/vendor noncompliance is not applicable, (e.g., in response to a contractor challenge), the item manager must provide a new SDR reply containing Reply Code 151 (prior response is superseded) and no cause code (or a replacement cause code not associated with the contractor noncompliance).²³ Action activities will ensure that inappropriate reply codes are blocked from use when responding to transshiper SDRs (Document Type Code W).²⁴

[Intervening text not shown]

C17.3.12.1.2.7. Interim Replies. Interim replies may be used to inform the submitter that an SDR has been forwarded to another organization for investigation or resolution. **Interim replies may also be used to request additional information required to determine final disposition.** Responsible activities must provide an interim reply where a final reply cannot be provided within the established time standards as specified in this chapter. Failure to meet the established time standards must be caused by reasons outside the control of the ICP/IMM. Such interim replies will identify any other action activities involved and, when feasible, indicate when additional status will be provided. Identify the interim disposition/status using the appropriate reply code. Interim reply codes in the 300 or 500 series are typically used to designate an interim reply involving forwarding to another organization (Appendix 7.28). The storage activity will provide an interim reply when recommending credit be provided by the source of supply based upon a validated discrepancy. For this purpose, the storage activity will cite Reply Code 525 and forward the SDR using the applicable 300-series applicable to the source of supply for processing. When the storage activity forwards an SDR to the source of supply for action using a 300-series interim reply code, the SDR transaction must be formatted to identify the source of supply RIC as the action activity. WebSDR will provide notification of forwarding action to the SDR initiator. This “forwarding” process and associated format will allow the reply transaction, including the initial responder’s reply remarks, to be transmitted to the new action activity. WebSDR will recognize the new action activity for reports and Web responder role access. If no coding exists to specifically identify the reasons for the delay, select Reply Code 137 and provide a clear-text explanation.

²³ Refer to ADC 1181A, Implementing the Cause Code for SDRs and Developing a Data Exchange Between WebSDR and Past Performance Information Retrieval System-Statistical Reporting Next Generation for Contractor Noncompliance SDRs (Supply/SDR)

²⁴ Refer to Approved DLMS Change 317B, Action Activity Replies to Transshipper-Prepared SDRs