



SUSTAINMENT

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

MEMORANDUM FOR PRODUCT QUALITY DEFICIENCY REPORT PROCESS
REVIEW COMMITTEE

SUBJECT: Approved Defense Logistics Management Standards Change 1443B, Product Quality Deficiency Reporting Policy Migration Updates, Defense Logistics Manual 4000.25, Volume 2, Chapter 24

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

Addressees may direct questions to Mark Rockwell e-mail: DEDSO.PQDR@dla.mil. Others must contact their designated PRC representative available at <https://www.dla.mil/Defense-Data-Standards/Committees/Contacts/>.

Stephanie Q. Howard, Brigadier General, USA
Performing the Duties of the Deputy Assistant
Secretary of Defense for Logistics

Attachment
As stated

cc:
OUSD(C)
DLA J6DS

Approved Defense Logistics Management Standards Change 1443B, Product Quality Deficiency Reporting Policy Migration Updates, Defense Logistics Manual 4000.25, Volume 2, Chapter 24

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. **Technical POC:** Defense Enterprise Data Standards Office (DEDSO), Mark Rockwell, dedso.pqdr@dla.mil.

b. **Functional POC:**

(1) Defense Logistics Agency, Logistics Operations, Jamie Goodrick, Jamie.Goodrick@dla.mil.

(2) Headquarters, Army Materiel Command, Marc Saperstein, Marc.D.Saperstein.civ@army.mil.

(3) Headquarters, United States Marine Corps, Chief Warrant Officer (CWO5) Jason Pierce, Jason.M.Pierce@usmc.mil.

(4) Naval Supply Systems Command, Jared Trinkaus, Jared.Trinkaus.civ@us.navy.mil.

(5) Headquarters, United States Air Force, John Wright, John.Wright.45@us.af.mil.

(6) Defense Contract Management Agency, Christopher Ford, Christopher.E.Ford12.civ@mail.mil.

2. REASON FOR CHANGE:

a. **Bottom Line Up-Front:** Substantive updates made after staffing are identified in green highlighting. This change continues the migration of Department of Defense (DoD) Product Quality Deficiency Reporting (PQDR) policy from the Joint Service Regulation DLAR 4155.24/AR 702-7/SECNAVINST 4855.5 series/AFI 21-115/DCMA INST 1102 (Reference 10.d.) to Defense Logistics Manual (DLM) 4000.25 Volume 2, Chapter 24 (Reference 10.c.). ADC 1443C will continue the policy migration with full committee collaboration on all deferred comments in 2025. No system changes are required as a result of ADC 1443B. Components should review publications at all levels to ensure updates are made.

b. **Background:**

(1) Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1443 Product Quality Deficiency Report (PQDR) was signed on 27 Jan 2023 to inform DoD Components that Reference 10.c. is replacing Reference 10.d. as the DoD's authoritative source for PQDR related guidance. Consolidating PQDR guidance into a single publication streamlines

the way the DoD makes changes to policy requirements, transactional processing, and electronic data interchange (EDI) programming. It allows these types of changes to be made simultaneously using the DLMS change management process.

(2) The policy migration coincides with the reissuance of DoD Manual (DoDM) 4140.01, Volume 5 (Reference 10.a.) and Volume 6 (Reference 10.b.).

3. CHANGE IN DETAIL:

a. Technical Details: Add or update the following as shown in the enclosure:

(1) DLM 4000.25, Volume 2, Chapter 24, Product Quality Deficiency Reporting

b. Revised Transaction Flow: No impact to the standard PQDR process flow.

4. IMPLEMENTATION TARGET: This change will take place immediately upon approval. Approved DLMS procedures supersede the Joint Service Regulation upon final signature date of this change. It will not require any targeted implementation by Defense Automated Addressing System (DAAS) or the PQDR processing systems. DoD Components must first consult this chapter for PQDR process guidance before referring to Reference 10.d., pending full migration of guidance and the eventual cancellation of the Joint Service Regulation.

5. TECHNICAL IMPACT: N/A

6. PUBLICATION/POLICY IMPACT:

a. Defense Logistics Manual (DLM) 4000.25:

(1) DLM 4000.25, Volume 2, Chapter 24, Product Quality Deficiency Reporting

b. Non-DLM 4000.25 Publications: These are known impacted publications, Components should review publications at all levels to ensure updates are made.

(1) DLA Instruction (DLAI) 4155.28, Enterprise Product Quality Deficiency Report (PQDR) Investigation and Restitution Process

(2) DLA Enterprise Standard Operating Procedure (eSOP) 4155.28-001, Product Quality Deficiency Report (PQDR) Processing

(3) DLA eSOP 4155.28-02, Communication Between Technical/Quality and Procurement during Product Quality Deficiency Report (PQDR) Investigations

(4) DLA eSOP 4155.28-003, Product Quality Deficiency Report Exhibit Return

(5) Air Force Instruction 21-115, Product Quality Deficiency Report Program

(6) Air Force 00-35D-54, Technical Manual: US Air Force Deficiency Reporting, Investigation, and Resolution

(7) Naval Supply Instruction (NAVSUPINST) 4855.7, Product Quality Deficiency Reporting and Defective Material Summary

(8) Naval Sea Systems Command (NAVSEA) Instruction 4855.040, Counterfeit Material Mitigation

(9) Secretary of the Navy (SECNAV) Instruction 4855.3D, Product Data Reporting and Evaluation Program

(10) Department of Navy (DON) Standard Operating Procedure (NAVSOP 3683D), Product Data Reporting & Evaluation Program (PDREP)

(11) Office of the Chief of Naval Operations (OPNAV) Instruction, 4790.15D Change Transmittal 2, Aircraft Launch and Recovery Equipment Maintenance Program

(12) DoD Instruction (DoDI) 5200.49, Oversight of The Collection and Exchange of Information Using the Government-Industry Data Exchange Program

(13) Commander, Naval Air Forces Instruction (COMNAVAIRFORINST) 4790.2 (Series)

(14) United States Marine Corps PQDR Standard Procedure Handbook, NAVMC 4855.1

(15) United States Marine Corps Order, MCO 4855.10C

7. ASSUMPTIONS: N/A

8. FINANCIAL IMPROVEMENT AND AUDIT REMEDIATION (FIAR), MATERIAL WEAKNESS, AND AUDIT-RELATED INFORMATION: N/A

9. END-TO-END TESTING REQUIREMENTS: N/A

10. REFERENCES:

a. DoDM 4140.01, Volume 5, DoD Supply Chain Materiel Management Procedures: Delivery of Materiel

b. DoDM 4140.01, Volume 6, DoD Supply Chain Materiel Management Procedures: Materiel Returns, Retention, and Disposition

c. DLM 4000.25, Volume 2, Chapter 24, Product Quality Deficiency Report

d. DLAR 4155.24/AR 702-7/SECNAVINST 4855.21/AFI 21-115/DCMA INST 1102

11. PROPOSED DLMS CHANGE (PDC) 1443 RESPONSE/COMMENT RESOLUTION:

	Component	Response/Comment	DEDSO Disposition
1.	NAVY	<p>CONCUR WITH COMMENTS</p> <p>C24.3.8</p> <p>Should we add CAI? CSI by default is a critical safe item and therefore implies that it would have an adverse affect on safety</p> <p>Discrepancies that potentially impact a safety critical characteristic on a product specified as a critical safety item (CSI) will be categorized as a CAT I PQDR. Discrepancies with critical applicable item (CAI) that do not impact safety will be categorized as a CAT II PQDR.</p> <p>J. Howard (NAVAIR)</p>	<p>Reject: This is a change to existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>
2.	NAVY	<p>C24.3.13</p> <p>Reporting of quality deficient stock under materiel returns. Does this imply Notice of Quality Escapes and/or Recalls? Materiel returns (Quality Escapes and/or Recalls) should be returned under the SDR process and not PQDR. A PQDR is a tool to perform an investigaiton to determine root casue, responsibility, corrective and preventive actions. Not to return materiel for repair and/or replacement. That is more in line with a SDR, i.e. materiel not in the conditon that it currently states on documents. `Preparing of PQDR on materiel identified under a warranty programs . Originators hshould check their applicable DoD Component policy and supplementing instructions to this policy for guidance.</p> <p>J. Howard (NAVAIR)</p>	<p>Reject: This is a change to existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>
3.	DLA	<p>CONCUR WITH COMMENTS</p> <p>C24.3.7</p> <p>Need to add that a PQDR must be the same NIIN, Cage, Contract and delivery order.</p> <p>Add before Note: "The Originating Activity shall report all defective exhibit(s) in their possession at the time of submitting the PQDR report and submit one PQDR Report per contract/Delivery Order, NIIN, and Cage."</p>	<p>Reject: This is a change to existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>
4.	DLA	<p>C24.3.12 and C24.3.12.1</p>	<p>Reject: This rewording is a</p>

		<p>These two paragraphs are a bit confusing... Both paragraphs indicate there is a list to follow.</p> <p>Recommend renumbering C24.3.12.2 through C24.3.12.2.8 into a new C24.3.12.1.1 through C24.3.12.1.7</p>	<p>change to existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>
5.	DLA	<p>C24.3.12</p> <p>Remove "Controls may include:"</p> <p>Recommend the paragraph to read as follows: "DoD Components will develop processes to address quality, engineering, maintenance, supply, financial, and acquisition system interfaces to establish proper controls over reported materiel, including exhibits."</p>	<p>Reject: This rewording is a change to existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>
6.	DLA	<p>C24.3.12.1</p> <p>reword the last two sentences so the "list" is at the end.</p> <p>Recommend the paragraph to read as follows: "Supply due-in records and materiel accountability following DLM 4000.25, whenever directing materiel for movement or suspended from issue or use until resolution of a PQDR. To ensure receipt to the correct owner and promote tracking of exhibits, systems must provide supply transactions and improve DLMS transactions to identify the relevant PQDR Report Control Number (RCN). Supply transactions may include:"</p>	<p>Reject: This rewording is a change to existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>
7.	DLA	<p>C24.3.12.6</p> <p>C24.3.12.6 needs to be rewritten or removed from this section. No other paragraphs in this section calls out responsibilities and this appears to be part of the list "supply transactions inclusive of those listed below" (see paragraph C24.3.12.1)</p> <p>The beginning of this paragraph already exists (see C24.5.3.11.9.7) under the Originator's Responsibilities.</p> <p>Recommend deleting C24.3.12.6; and move the Financial section (in red) to C24.5.3.11.9.7).</p>	<p>Reject: This rewording is a change to existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>
8.	DLA	<p>C24.5.3.11.6</p> <p>I am a bit confused with the wording of who is responsible for transportation costs for shipping an exhibit. This paragraph falls under the Originating Point which I assume means they are responsible for the cost. However, the reference DODM 4140.01 Volume 6, DoD Supply Chain Materiel Management</p>	<p>Reject: This is a change to existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C</p>

		<p>Procedures: Material Returns, Retentions, and Disposition states: The appropriate materiel manager is responsible for packing, crating, handling, and transportation costs associated with all directed returns. This sounds like the materiel manager (DLA?) would be responsible for transportation costs.</p> <p>Would it be possible to add clarifying verbiage on who is responsible for transportation costs?</p>	<p>collaboration. This is a recurring theme regarding transportation costs. This will be a focus area of PDC 1443C.</p>
9.	DLA	<p>C24.5.3.11.9 typo; the paragraph number is C24.5.11.9 Change to C24.5.3.11.9</p>	<p>Concur: Updated.</p>
10.	DLA	<p>C24.5.3.11.9.6 add " when authorized by the Action Point." at the end of the last sentence. Recommend the "Note" to read as follows: Note: that credit will not be given until a valid requisition number is provided and all exhibits requested are returned to the issuing contracting agency or evidence of disposal provided when authorized by the Action Point.</p>	<p>Reject: This is a change to existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration. This is a recurring theme regarding transportation costs. This will be a focus area of PDC 1443C.</p>
11.	DLA	<p>C24.5.3.11.7 add the financial info from paragraph C24.3.12.6 to the end of this paragraph. Recommend adding the following: Financial adjustment in accordance with DLM 4000.25, Volume 4, Military Standard Billing System – Finance. Note that credit will not be given until a valid requisition number is provided and all exhibits requested are returned to the issuing contracting agency or evidence of disposal provided when authorized by the Action Point.</p>	<p>Reject: This rewording is a change to existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>
12.	DLA	<p>C24.5.4.8 Last sentence, add "or replacement" Change last sentence to read as follows: " This is for materiel movement only. Credit or replacement is not authorized for constructed document numbers."</p>	<p>Reject: This additional wording may have unintended consequences. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>
13.	DLA	<p>C24.5.5.3.4</p>	<p>Concur: Updated.</p>

		<p>Last Sentence; Change "Closing letter" to Completion Notification"</p> <p>Change last sentence to read as follows: "Return the PQDR to the Screening Point with undetermined cause, and reference the RCN of the primary PQDR in the Completion Notification."</p>	
14.	DLA	<p>C24.5.5.18.7</p> <p>The severity classification uses minor, major, and critical, but does not define them. What constitutes using which severity classification? Is this classification assigned by the Action Point or the Originating activity? If it's the action point, the ESA would need to ensure this is added to all specs/PDs.</p> <p>Recommend not making this a requirement. What's the added value? Recommend removing this as a requirement. What happens if the customer does not agree with the severity of the defect?</p>	<p>Reject: This wording is verbatim from the Joint Service Regulation. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>
15.	DLA	<p>C24.5.5.8</p> <p>Is this paragraph for a Pre Investigation Alert? Delete last sentence as it talks about defective materiel rather than suspect. "Provide other Screening Points of DoD Components and agencies that have defective materiel with results of the investigation and corrective action within 3 calendar days."</p> <p>Recommend to read as follows: Alert to all stakeholder DoD components of suspect materiel, and request the stakeholders perform a stock screening. If stakeholders discover additional suspect materiel, request they suspend the stock and submit PQDRs on the assets. If other stakeholders contain same materiel, request quantity of materiel.</p>	<p>Reject: The new wording was brought over verbatim from the Joint Service Regulation. Deferred for discussion with full PQDR Committee to see how the other Components want to re-word this section during PDC 1443C collaboration.</p>
16.	ARMY	<p>CONCUR WITH COMMENTS</p> <p>C24.5.4</p> <p>The Screening Point Responsibilities do not include all of those listed in JSR. The Responsibilities only address the Screening Point's role in processing new PQDRs and not their role in closing out reports.</p> <p>"Recommend adding the following edited paragraphs 3m through 3r of the screening point responsibilities from the JSR back into this document:</p>	<p>Reject: The PQDR Screening Point responsibilities were synopsized by the Committee previously. This additional JSR wording may have unintended consequences. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>

		<p>m. When needed, aid Action and Support Points in getting exhibits. See disposition and shipping of exhibits, (enclosure 10).</p> <p>n. Receive and review correspondence from the Action Point. Send interim replies to the Originating Point as received from the Action Point. [THIS IS ALREADY CAPTURED IN C24.5.4.9]</p> <p>o. Follow up on past due PQDRs with the Action points. Note: If the period for acknowledging the receipt of the investigation request falls during shut down periods (weekends or holidays) notify them on the next business day.</p> <p>p. Receive and review closeout responses from Action Points. Review final investigation report and closeout action for completeness and adequacy. If investigation, corrective action, or actions taken to preclude recurrence are inadequate, resolve differences with the Action Point. Contact the Action Point to get disposition instructions for the materiel if not provided with the closing response. Close the PQDR once the investigation is complete. Contact the IMM if the Screening Point finds out that a different IMM bought the item. The IMM that bought the item is responsible for satisfying and reporting results of the PQDR to their Screening Point and providing a resolution. The DoD Components' Screening Point (besides processing internally) will send an information copy of the PQDR to the IMM within the Military Service or DLA (GSA excluded). Send PQDRs to GSA when GSA is the original source of supply.</p> <p>q. Provide final responses to the Originating Point, other Service, or Agency Screening Point after receiving the PQDR investigation from the Action Point. Provide responses within 3 calendar days for a Category I PQDR and 10 calendar days for a Category II PQDR. Note: If the period for acknowledging the receipt of the investigation request falls during shut down periods (weekends or holidays) notify them on the next business day.</p> <p>r. On receiving disposition instructions for exhibits, ensure the materiel is classified to the proper SCC."</p> <p>TACOM (Sean Jamieson)</p>	
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17.	ARMY	<p>C24.5.5.3</p> <p>Need to emphasize use of "other avenues" before engaging ESA</p> <p>Reword to "Engage the Service Engineering Support Activity (ESA) in the investigation when all other avenues (RECOMMEND EXAMPLES) have been unable to determine the cause of the deficiency and further investigation is possible."</p> <p>AMCOM/AvMC (Michelle Bassett)</p>	<p>Reject: The use of "other avenues" may have unintended consequences for other DoD Components. Too vague. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>
18.	ARMY	<p>C24.5.5.3.4</p> <p>Last Sentence; Change "Closing letter" to Completion Notification"</p> <p>Change last sentence to read as follows: "Return the PQDR to the Screening Point with undetermined cause, and reference the RCN of the primary PQDR in the Completion Notification."</p> <p>Also C24.5.5.3.4</p> <p>Section is missing paragraph 4.i from the DLAR, which also requires justification for closing out when it's for an undetermined cause.</p> <p>"Recommend adding in 4.i from the DLAR onto the end of this paragraph to read as follows:</p> <p>"If the decision is to recommend closure of the PQDR with an undetermined cause, provide the justification in the PQDR Final Reply."</p>	<p>Concur: Updated.</p> <p>Concur: Added.</p>
19.	ARMY	<p>C24.5.5.8</p> <p>Is this only referring to counterfeit materiel? Or is this saying suspect of having a defect materiel? We don't really refer to deficient materiel in this form unless its suspect counterfeit. It is even called defective materiel later in the same paragraph.</p> <p>Would recommend updating language to read: "Alert all stakeholder DoD components of possible deficient or suspect counterfeit materiel, and request the stakeholders perform a stock screening. If stakeholders discover additional deficient or suspect counterfeit materiel, request they suspend the stock and submit....."</p> <p>TACOM (Chris Turner and Chad Lang)</p>	<p>Reject: This rewording is a change to existing approved policy since it will introduce new definitions of terms. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>

20.	ARMY	<p>C24.5.5.12</p> <p>Document is missing the direction on providing initial disposition instructions from the DLAR</p> <p>"Recommend adding in the following edited paragraph 4.b from the DLAR after this section:</p> <p>""Additionally, provide initial disposition instructions to the Screening Point for materiel held (that is, in a suspended SCC) by the Originator/Originating Point, and at all other points where there is deficient materiel. Reclassify all materiel as soon as possible. Submit information copies of Category I PQDRs to Screening Points of known users to alert them of the problem.""</p> <p>ACOM (Sean Jamieson)</p>	Concur: Updated with suggested wording from DLAR.
21.	ARMY	<p>C24.5.5.17</p> <p>Is this only referring to counterfeit materiel? Or is this saying suspect of having a defect materiel? We don't really refer to deficient materiel in this form unless its suspect counterfeit.</p> <p>Would recommend updating paragraph to read:</p> <p>"Issue Deficient Materiel Alerts. If necessary, alert Inventory Control Points and storage activities of deficient or suspect counterfeit materiel. Tell the appropriate DoD Component POC to alert their storage activities. Request suspense and screening of inventory stocks and provide PQDRs for any deficient or suspect counterfeit materiel that is found."</p> <p>TACOM (Chris Turner and Chad Lang)</p>	Reject: This wording that has been added is verbatim from the DLAR. Additional changes to clarify this section is deferred for full Committee discussions.
22.	ARMY	<p>C24.5.5.18.8</p> <p>Originators/Originating points should not be held liable or have credit delayed when they correctly turn-in materiel that is lost due to circumstances outside of their control (i.e., lost upon receipt at warehouse/storgae locations). There should be language that provides a path to credit when they can provide proof that they did in fact turn-in their deficient materiel and have proof that it was received even if it can't be located. This should be stated in the policy so it is clear.</p> <p>"Recommend adding the following as the last sentence to the end of the paragraph:</p> <p>""However, in the event that the Action Point cannot locate turned-in materiel, credit shall not be</p>	Reject: This section is verbatim approved policy in the DLAR. The suggestion would change this existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.

		<p>withheld solely for that reason alone if the originator/originating point can provide documentation, to include proof of delivery and tracking information, showing correct turn-in instructions were followed.''' ''</p> <p>TACOM (Chris Turner and Chad Lang)</p>	
23.	ARMY	<p>C24.6.2.7 & C24.6.2.8</p> <p>Confused regarding the practice of not reopening an investigation where warranted, to include issuing of credit, solely based upon an arbitrary timeline. Instead DLA is requesting a new PQDR, which will skew PQDR data impacting GIDEP and similar reports. For our part, the Army does not do this.</p> <p>Recommend removing paragraphs C24.6.2.7 and C24.6.2.8. If DLA does not support removal, suggest making a language change so it is clear that C24.6.2.8 only applies on DLA-managed items.</p> <p>AMC HQ (Marc Saperstein) and AMCOM (Stephen Schuck)</p>	<p>Reject: The suggestion would change this existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>
24.	DCMA	<p>CONCUR WITH COMMENTS</p> <p>C24.5.6</p> <p>There is a confusing requirement here we are unfamiliar with. "Include date reply is due"? DCMA DRPMs often do not have firsthand knowledge of contractors relevant details.</p> <p>If this is implying an estimated date when the investigation will be completed and when the Final Reply will be submitted, then remove. There is little/no predicatbility at this point of the investigation.</p> <p>DCMA (Ford, C.)</p>	<p>Reject: This section is verbatim approved policy in the DLAR. The suggestion would change this existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>
25.	DCMA	<p>C24.5.6.4</p> <p>Currently the Exhibit Request suspense (7 days from DR receipt) is being misused/impacted by the 1-3 day acknowledgement suspense. Recommend elaborating/separating the two.</p> <p>Recommend: Request exhibit within 7 calendar days after receipt of a PQDR after PQDR is acknowledged, when needed for the investingation.</p> <p>DCMA (Ford, C.)</p>	<p>Reject: This section is verbatim approved policy in the DLAR. The suggestion would change this existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>

26.	DCMA	<p>C24.5.6.4</p> <p>In the past two years or so, we've noticed (and revised methods) to notify Action Points when the exhibit is damaged en-route.</p> <p>"Recommend (1): Move the final sentence ("Notify the Action Point when the exhibit arrives within 5 calendar days of exhibit receipt.") to a unique paragraph, making it C24.5.6.5</p> <p>Recommend (2): Add "If there is evidence that additional damage to the exhibit occurred during transportation, notify the Action Point, Screening Point, and Originator immediately. Provide additional evidence such as photographs, if appropriate."</p> <p>DCMA (Ford, C.)</p>	<p>Reject: This section is verbatim approved policy in the DLAR. The suggestion would change this existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>
27.	DCMA	<p>C24.5.6.4</p> <p>Later paragraphs related to the Interim / Final Reply effectively talk to both Government and Contractor requirements for corrective and preventative action. This section previously spoke to the preliminary investigation performed by the DRPM (i.e. verification of contract details). This still exists in DCMA policy.</p> <p>Recommend removing paragraph entirely as it adds very little, and these requirements are detailed later in the policy.</p> <p>DCMA (Ford, C.)</p>	<p>Reject: This section is verbatim approved policy in the DLAR. The suggestion would change this existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>
28.	DCMA	<p>C24.5.6.8.2</p> <p>"Responsible Party" is a dangerous term, and too vague for contract admin and GCQA. Use FAR-defined terms that related to FAR Part 46.104 responsibilities.</p> <p>Recommend: "Corrective and preventive action by the responsible activity contractor or subcontractor."</p> <p>DCMA (Ford, C.)</p>	<p>Reject: This section is verbatim approved policy in the DLAR. The suggestion would change this existing approved policy. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.</p>
29.	DCMA	<p>C24.5.6.8.3</p> <p>This policy defines the role responsible at the title of this section. The title for that role is more effective than "investigating Government office."</p>	<p>Reject: This section is verbatim approved policy in the DLAR. Deferred for discussion with full</p>

		Recommend: "Corrective and preventive action by the investigating Government office Support Point. DCMA (Ford, C.)	PQDR Committee during PDC 1443C collaboration.
30.	DCMA	C24.5.6.12 With the current paragraph identifier, this appears to be solely the responsibility of the Support Point. However it contains more-specific nomenclature like "DoD Component", which DCMA is not. Is this supposed to be it's own subsection, outside of "C24.5.6"? Discussion necessary; possibly moved to it's own subparagraph e.g. C24.5.7? DCMA (Ford, C.)	Reject: This section is verbatim approved policy in the DLAR. Deferred for discussion with full PQDR Committee during PDC 1443C collaboration.
31.	USMC	Concur without comment	
32.	AIR FORCE	Concur without comment	
33.	DAAS	Concur without comment	

12. PROPOSED FUNDING REQUIREMENTS:

	Component	Response/Comment
1.	Navy	No comment provided
2.	DLA	No comment provided
3.	Army	No comment provided
4.	DCMA	No comment provided
5.	USMC	No comment provided
6.	Air Force	No comment provided
7.	DAAS	No comment provided

13. IMPLEMENTATION TIMELINE AND ESTIMATED COMPLETION DATE:

	Component	Response/Comment
1.	Navy	No comment provided
2.	DLA	No comment provided
3.	Army	No comment provided
4.	DCMA	No comment provided
5.	USMC	No comment provided
6.	Air Force	No comment provided
7.	DAAS	No comment provided

Enclosure 1

Revised DLM 4000.25, Volume 2, Chapter 24

Changes are identified by ***bold red italics*** and deletions are identified by double strike-through text. Renumber as needed.

C24. CHAPTER 24

PRODUCT QUALITY DEFICIENCY REPORTING

C24.1. PURPOSE

C24.1.1. This chapter replaces DLAR 4155.24/AR 702-7/SECNAVINST 4855.5 series/AFI 21-115/DCMA INST 1102, as the DoD Product Quality Deficiency Report (PQDR) process authoritative source for procedures pertaining to this process. DoD Components must first consult this chapter for PQDR process guidance before referring to DLAR 4155.24/AR 702-7/SECNAVINST 4855.5 series/AFI 21-115/DCMA INST 1102, pending full migration of guidance and the eventual cancellation of the Joint Service Regulation.

C24.1.2. This chapter establishes policy, assigns responsibility, and implements procedures for a standard DoD PQDR method to identify, report, and resolve conditions affecting the warfighter.

C24.1.3. The DoD PQDR process requires DoD Components to capture and exchange product quality deficiency information to facilitate root cause determinations, corrective actions, reliability analysis, and recoupment actions (contractor caused deficiencies). ~~When data is required to be exchanged across Component lines or between Enterprise Business System (EBS), Product Data Reporting and Evaluation Program (PDREP) and Joint Deficiency Reporting System (JDRS), the~~ ***All*** PQDR data exchanged will pass through the PDREP business rule validation protocol, DAAS, and be compliant with the DLMS 842P IC (Future implementation).

C24.1.4. The DoD Component members of the PQDR Process Review Committee (PRC) will be identified on the PQDR PRC webpage of the Defense Enterprise Data Standards Office (DEDSO) website. The PQDR PRC is responsible for the development, expansion, improvement, maintenance, and administration of the systemic processing under the DLMS.

C24.2. APPLICABILITY

C24.2.1. ~~This guidance is applicable to a~~ ***All*** DoD Components ***are*** responsible for reporting and processing PQDRs and requiring assistance from another DoD

Component through a DLMS compliant Automated Information System (AIS) to process a PQDR. When more than one DoD Component or AIS is involved in processing a PQDR, it is referred to as an inter-Service PQDR and must comply with inter-Service processing instructions contained in this document. It applies to all supply classes not specifically excluded from PQDR reporting.

C24.2.2. This ~~guidance~~ **policy** is applicable to new and newly reworked Government-owned products found to be deficient any time after Government acceptance. Submit PQDRs regardless of the product's inspection or acceptance location (source or destination). It also applies to products that were presented for Government destination acceptance, but later found to be deficient.

C24.2.3. This chapter does ~~not~~ **not** apply to the following deficiencies:

C24.2.3.1. Products approved for ~~local base or station buys,~~ **purchases** which are reportable under local procedures. This exclusion does not apply to local buys where the original source was GSA. **Report all deficiencies IAW 41 CFR § 101-26.803-2, reporting quality deficiencies, for GSA managed items.**

C24.2.3.2. Foreign Military Sales customers submit quality deficiencies using a Supply Discrepancy Report (SDR) which are processed in accordance with (IAW) DLM 4000.25, Volume 2, Chapter 17, ~~C17.5.~~

C24.2.3.3. Subsistence materiel deficiencies (reported by the DoD Hazardous Food and Nonprescription Drug Recall System) IAW AR-40-660/DLAR 4155.26, DoD Hazardous Food and Nonprescription Drug Recall System.

C24.2.3.4. Unsatisfactory materiel whose condition results from improper handling or deterioration during storage (report following individual DoD Component procedures).

C24.2.3.5. Report all Supply Discrepancy Reports IAW DLM 4000.25, Volume 2, Chapter 17.

C24.2.3.6. Transportation Discrepancy Reports (SF 361) to report transportation-type discrepancies, for example, shortages, losses, or damages in transit. **For the authoritative policy on submitting TDRs, refer to Defense Transportation Regulation DTR 4500.9-R, Part II - Cargo Movement, Chapter 210.**

C24.2.3.7. Materiel that fails because of inadequate maintenance, improper operation, or normal wear and tear.

C24.2.3.8. Malfunctions involving the use of ammunition and explosives (report under individual DoD Component procedures). Report deficiencies involving ammunition and explosives under this ~~regulation~~ **policy.**

~~C24.2.3.9. Materiel for Navy Strategic Weapons Systems and the Navy Nuclear Propulsion Program.~~

C24.2.3.9. Excess or surplus property or billings for services, space, communications, and printing as covered in Title 41 CFR 101-26.802, Exclusions.

C24.2.3.10. Submit exceptions to the use of this policy in reporting PQDRs through the respective DoD Component headquarters. All affected DoD Components must agree before approval of any exception.

C24.3. POLICY

C24.3.1. It is DoD policy that DoD Components maintain and use a reliable and standard system for investigation of PQDRs. The system must exchange data across all DoD Components for product quality deficiency data reporting.

C24.3.2. DoD Components must submit PQDRs on new or newly reworked Government-owned products that do not fulfill their expected purpose, operation, or service. This applies to items that fail government receipt inspection regardless of where (source or destination) the product was inspected and accepted. This can be due to deficiencies in design, specification, materiel, software, manufacturing process, workmanship, or any combination. These include premature failure of items within a warranty period or specified performance. Submit PQDRs for items suspected or found to be counterfeit.

C24.3.3. If a PQDR appears to be related to suspect counterfeit, ~~counterfeit or fraud~~ **or unauthorized product substitution**, notify all appropriate parties (as required in DoDI 4140.67), including counsel at the level where it was discovered, to determine appropriate actions before proceeding with processing the PQDR. The contractor will not be notified of the impending investigation until counsel provides guidance on how to proceed.

C24.3.4. DoD Components must report deficiencies that occur in weapon systems, consumable/repairable items, and spare/repaired parts, Government-owned products used during development/test, items supplied as Government-Furnished Property, or deficiencies in any other items not specifically excluded by paragraph C24.2.3. to the DoD Component that is the Action Point of the deficient item. The DoD component should not initiate contact or investigation with the supplier/vendor of the deficient materiel activity without prior coordination with Action Point.

C24.3.5. Include defects in materiel bought or repaired through contract methods such as Contractor Logistics Support or Prime Vendor and covered by a contractual or implied warranty in the reporting requirements of this ~~regulation~~ **policy**.

C24.3.6. Submit PQDRs on defective items, even if they are usable. PQDRs shall be submitted for all defective materiel regardless of the dollar value of the item.

C24.3.7. Report Category I PQDRs within 24 hours after discovery. Report Category II PQDRs within **3** calendar days after discovery. Note: Report deficiencies (Category I or Category II) discovered during facility shutdown, weekends, or holidays on the next operating day.

C24.3.8. If the defect adversely affects safety, classify it as a Category I PQDR. Also, classify defective Critical Safety Items (CSIs) that adversely affect safety as a Category I PQDR. Classify deficiencies on CSIs that do not affect safety as Category II PQDRs.

C24.3.9. Report deficient Government Furnished Property to the appropriate DoD Component issuing the contract. When a contractor is not contractually obligated to write PQDRs, the Government representatives will complete and submit the PQDR for deficiencies found by those contractors. The Screening Point for these PQDRs will be the sponsoring DoD component.

C24.3.10. DoD Components will investigate PQDRs to determine the cause of the deficiency using all available methods to avoid closing a PQDR with an undetermined cause. Correct the existing deficiency, provide disposition instructions for deficient materiel, and identify actions to prevent recurrence of deficiencies, before closing PQDRs.

C24.3.11. DoD Components will provide guidance and training to DoD Component personnel using the DoD Component's AIS.

C24.3.12. Develop processes to address quality, engineering, maintenance, supply, financial, and acquisition system interfaces to establish proper controls over reported materiel, including exhibits. Controls may include:

C24.3.12.1. Supply due-in records and materiel accountability following DLM 4000.25, whenever directing materiel for movement or suspended from issue or use until resolution of a PQDR. To ensure receipt to the correct owner and promote tracking of exhibits, systems must provide supply transactions inclusive of those listed below. Additionally, improve DLMS transactions to identify the relevant PQDR Report Control Number (RCN).

C24.3.12.2. Prepositioned materiel receipt.

C24.3.12.3. Shipment status and materiel returns shipment status, as applicable.

C24.3.12.4. Receipt transactions for returned exhibits transmitted to the owner by each custodial activity.

C24.3.12.5. Materiel release orders for directed movement of exhibits for purposes of test/evaluation, repair, or disposal.

C24.3.12.6. Requests to Return Materiel Upon Completion of Investigations. The Originating Point must inform the Action Point at the time of submission whether they want the materiel returned at the completion of the investigation when submitting a PQDR using a constructed requisition number. In situations where credit or replacement of materiel is not authorized due to the inability to locate the original requisition document, the Originating Point will be liable for the return transportation

costs. ***Financial adjustment in accordance with DLM 4000.25, Volume 4, Military Standard Billing System – Finance. Note that credit will not be given until a valid requisition number is provided and all exhibits requested are returned to the issuing contracting agency or evidence of disposal provided.***

C24.3.12.7. ~~Material marking~~ ***Markings for shipment and storage*** in accordance with MIL-STD-129. Additionally, mark exhibits for shipment and storage IAW disposition instructions provided by the Action Point.

C24.3.12.8. Internal controls in accordance with DoD Directive 5010.40, Managers Internal Control Procedures.

C24.3.13. Preparation of PQDRs may also entail reporting of quality deficient stock under materiel returns or warranty programs to give credit. Originators should check their applicable DoD Component policy, and supplementing instructions to this ***policy*** ~~regulation~~ for guidance.

C24.3.14. Processing times in this ~~regulation~~ ***policy*** and supplementing instructions are standards, ***however*** ~~performing~~ a thorough investigation is paramount. DoD Components must thoroughly investigate PQDRs and ensure that they are not closed prematurely because of time. If an investigation cannot be completed within the timeline standard, the Component will submit an interim reply, documenting the cause of the delay to the next level of interest.

C24.3.15. When item management of an item transfers to a different DoD Component, PQDR processing responsibilities will be IAW DoDM 4140.26, Volume 2. DoD Integrated Materiel Management for Consumable Items: Logistics Assignments.

C24.3.16. PQDRs will not be closed until final disposition instructions are provided for all exhibits/materiel associated with the PQDR.

C24.3.17. Due to an identified OPSEC requirement, PQDRs have been designated as controlled unclassified information (CUI) and must be identified as CUI. Physical handling and electronic transmission of PQDRs must comply with DoD rules for this level of sensitive unclassified information, to include proper labeling, protection, and encryption of communication.

C24.3.18. This chapter also provides an overview of the DLMS 842P transaction exchange (Future implementation) supporting the PQDR program. Under DLMS, the PQDR will be considered a common logistics information exchange to be integrated with transaction processing through DAAS. The DoD approved standard for electronic transmission of PQDR transactions is prescribed by the DLMS 842P Implementation Convention (IC) using a Web Service XML transaction format. The DLMS 842P, Standard PQDR, will be employed for transactional exchange and is available via the Implementation Convention/~~DLMS IC~~ page of the Defense Enterprise Data Standards Office (DEDSO) website.

C24.3.18.1. PQDR Inter-Service (PQDR II) data exchange is required IAW DLMS 842P. Data required in each transaction is defined in the DLMS 842P ~~IC~~. All transactions will have the ability to provide attachments as needed. The PQDR II will allow users to query the transaction history by RCN, use the system inbox to view pending incoming transactions, and the system outbox to view pending outgoing transaction

C24.4. ROLES AND RESPONSIBILITIES

C24.4.1 All PQDR Processing Points are ~~R~~ responsible for:

C24.4.1.1. When product deficiencies are suspect counterfeit, ~~counterfeit~~ or unauthorized product substitution, immediately inform local counsel and provide a copy of the PQDR. Also notify Originating, Screening, Action and Support Points as applicable. Do not discuss PQDRs related to suspect counterfeit, or unapproved product substitution with the contractor without guidance from local counsel and investigative agencies.

C24.4.1.2. **Reviewing** and **correcting** the PQDR as necessary for completeness, validity, and accuracy. Obtain necessary information for completing all mandatory fields in their AIS for PQDR processing. Ensure all attachments, documents and PQDRs contain the correct controlled unclassified information (CUI) before transmitting to the next point in the PQDR process. The term “any available supporting documentation” means any supporting documentation such as photos, video, test reports, and or objective quality evidence etc.

C24.4.1.3. Ensuring all PQDR actions are completed including acknowledgements, interim and final replies to the correct processing point.

C24.5. PROCEDURES

C24.5.1. PQDR Overview. The Originator/Originating Point submits the PQDR to the appropriate Screening Point. The Screening Point reviews the initial submission to ensure it is complete, accurate, and meets the necessary criteria for further investigation by an Action Point. The Action Point will either investigate the report or assign the report to a Support Point to assist with the investigation. When required, the

PQDR exhibits are moved between the exhibit holder and the investigating point. Throughout the investigation process, each point sends interim responses and other routine correspondence transactions to keep each interested activity and AIS updated with the current investigation status.

C24.5.2. Originator **Responsibilities**:

C24.5.2.1. For instances where the Originator and Originating Point are the same entity, they will perform the responsibilities of both PQDR originating activities.

C24.5.2.2. Secure and segregate all perceived deficient materiel, including PQDR exhibits, as Supply Condition Code (SCC) "Q." Note: DoD Components may use other suspended supply conditions such as SCC "L" pending implementation of SCC "Q." EXCEPTION: If an item is urgently needed, it may be repaired to a usable condition if it does not adversely affect safety.

C24.5.2.3. When necessary to repair the item due to shortages and or mission priorities, provide the deficiency information to the Originating Point. Include full details of the deficiency, the repair, and any supporting documentation.

C24.5.2.4. Failure to submit **adequate** supporting documentation **such as DD Form 1574 Serviceable Tag – Materiel (commonly called Ready-For-Issue (RFI Tag)), ~~Certification~~ Certificate** of Conformance (if applicable), the original Issue Release or Receipt Document Number (DD Form 1348-1A), packaging label, photos of the materiel, and the contract number (if applicable) may result in premature record closure without an investigation being performed and/or loss of credit for the defective materiel.

C24.5.2.5. Prepare and forward PQDR information to their designated Originating Point on each post, camp, station, base, ship, or activity on identification of deficient materiel. The same person can do Originator and Originating Point responsibilities. When neither the originator or the originating point is able to systemically submit the PQDR, the Screening Point can submit on their behalf.

C24.5.2.6. Complete and attach DD Form 1575, Suspended Tag - Materiel, and DD Form 2332, Product Quality Deficiency Report Exhibit.

C24.5.2.7. Process and forward PQDRs IAW ~~local command~~ DoD Component policy.

C24.5.3. Originating Point **Responsibilities**:

C24.5.3.1 Communicate with Originator and Screening Points. **Send PQDRs to the correct Screening Point.**

C24.5.3.2 Submit PQDRs to the DoD Screening Point within 24 hours for a Category I PQDR and within three calendar days for a Category II PQDR. Note:

If the period for submitting the PQDR to the service Screening Point falls during scheduled facility shutdown periods (weekends or holidays), submit the PQDR on the next business day.

C24.5.3. ~~32~~. Review the PQDR information and communication for completeness and accuracy. Verify PQDR validity and return inaccurate reports to the ~~O~~originator.

C24.5.3. ~~43~~. Assign PQDR Category. Add any additional information when available. Provide as much information as possible, but do not delay PQDR submittal because of missing data that is not mandatory.

C24.5.3. ~~54~~. Include the original ~~requisition~~ document number on all PQDRs. When the original document number is missing, the Originator or Screening Point will assign a constructed document number following DLM 4000.25 Volume 4, Chapter 4. Credit or replacement is not authorized for constructed document numbers.

C24.5.3. ~~65~~. Attach supporting documentation (including any available shipping information) if received outside of the AIS or if ~~O~~originator could not attach at time of submittal.

C24.5.3.7 Determine how much deficient materiel exists and report the quantity on the SF 368. Ask the Installation Supply Support Activity to identify if any more deficient stock is in their inventory.

C24.5.3. ~~86~~. Request credit, replacement, repair, or if PQDR is for information only, select "other" and explain the reason on the SF-368.

C24.5.3. ~~97~~. Ensure AIS assigns RCN for PQDR processing. The RCN is a unique alphanumeric control number to each report. Use the RCN in all communications.

C24.5.3. ~~108~~. When the address of the activity holding the exhibit is different from the PQDR Originator's address: Provide POC, phone, email address, the address and commercial telephone number of the exhibit holding activity within the PQDR.

C24.5.3. ~~119~~. Handle exhibits as follows:

C24.5.3. **11.1**. The Originating Point will hold exhibits until the appropriate exhibit dispositions are received. If more than 30 days go by without instructions, contact the appropriate Screening Point.

C24.5.3. **11.2**. The exhibit holding activity will comply with the shipping instructions.

C24.5.3. ~~119~~3. Do not repair exhibits within 30 days unless critical mission requirements dictate. In such instances, begin action to hold evidence of the deficiency through photographs, test reports, or other means, to include with the PQDR.

C24.5.3. ~~119~~4. Wait for exhibit disposition prior to returning deficient materiel. 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.

C24.5.3. ~~119~~5. Clearly mark the package exterior on one side "PQDR EXHIBIT/RCN" and, when applicable, "Warranty Item." Mark two other sides of the exterior of the package in bold letters "PQDR EXHIBIT." When shipping the exhibit to a contractor, mark the package exterior, "Only Open in the Presence of a Government Representative" when exhibits are requested by the ~~Support~~ **Point**. Further guidance is delineated in DLM 4000.25, Volume 2, Chapter 13 Materiel Receipt.

C24.5.3. ~~119~~6. The Originating Activity is responsible for transportation costs for shipping an exhibit to the investigation point (for example, contractor, or Support Point) unless alternate arrangements are provided. Request either the contractor or the exhibit holder pay transportation costs for return of the exhibit.

C24.5.3. ~~119~~7. Requests to Return Materiel Upon Completion of Investigations. The Originating Point must inform the Action Point at the time of submission whether they want the materiel returned at the completion of the investigation when submitting a PQDR using a constructed requisition number. In situations where credit or replacement of materiel is not authorized due to the inability to locate the original requisition document, the Originating Point will be liable for the return transportation costs.¹

C24.5.3. ~~119~~8. Inform the Screening Point via the AIS when the exhibit(s) ships. Identify the PQDR RCN, materiel, shipment date, quantity, and ship to information at a minimum.

C24.5.3.11.9. Receive Screening Point or final investigation replies and provide same to the Originator. If the Originator believes the Screening Point closed the PQDR in error, the Originator should provide the rationale for rebutting the PQDR to the Screening Point. Only the Screening Point has the authority for closing and rebutting the PQDR.

¹ References PDC 1411A Discontinue Credit/Replacement for Constructed Document Numbers

C24.5.4. Screening Point ***Responsibilities:***

C24.5.4.1. Communicate with Originating and Action Points.

C24.5.4.2. AIS acknowledges receipt of PQDRs.

C24.5.4.3. Validate the PQDR to ensure accurate and complete information.

C24.5.4.4. If the Screening Point determines that the PQDR is invalid, close it and inform the Originating Point why it was determined to be invalid.

C24.5.4.5. If the Screening Point determines the PQDR is repetitive (***same NIIN, CAGE, contract number, and deficiency description***), have the Originator consolidate the exhibits or materiel into one PQDR.

C24.5.4.6. Verify PQDR category and recategorizes when appropriate.

C24.5.4.7. Determine if the materiel is contractually warranted. If so, classify materiel as warranty in the AIS, annotate the PQDR as under warranty, and ensure exhibits are packaged and marked IAW warranty instructions.

C24.5.4.8. ***If necessary, generate a constructed document number if the original document number is missing IAW with DLMS Volume 4 Chapter 4. This is for materiel movement only and not to receive credit.***

C24.5.4.9. Manage the PQDR to include review all correspondences, inform the originating point of PQDR progress, and forward interim replies.

C24.5.4.10. Provide replies to include send Originating Point an explanation of invalid determination, resolve differences with Action Point, request disposition instructions if they are not included.

C24.5.4.11. Forward PQDR to Action Point.

C24.5.5. Action Point ***Responsibilities:***

C24.5.5.1. Communicate with Screening Points and Support Point to include, for example, interim replies: CAT I – 20 days / CAT II – 30 days to the screening point and originator at a minimum. Provide final investigative results to the ***Screening Point and Originator/Originating Point.***

C24.5.5.2. AIS acknowledges receipt of PQDRs.

C24.5.5.3. Engage the Service Engineering Support Activity (ESA) in the investigation when other avenues have been unable to determine the cause of the deficiency and further investigation is possible. The need to engage the

ESA to determine the root cause of the deficiency includes any one of the following:

C24.5.5.3.1. PQDR is a Category I or suspect counterfeit materiel as advised by local office of Counsel;

C24.5.5.3.2. PQDRs where the cumulative total of deficient materiel is over \$500K (value of \$500K for either the individual deficient unit or the cumulative value of all deficient assets in inventory);

C24.5.5.3.3. Three or more PQDRs issued against a National Stock Number (NSN) produced within a 3-year period from different lots, different contracts, or different suppliers.

C24.5.5.3.4. Explore all avenues to determine responsibility and cause of a failure. Further investigation may not be possible or practical, preventing the ESA from taking part in the investigation. Provide rationale for excluding the ESA when the deficiency cause is unknown. PQDRs in a continuing investigation (such as combined or child related PQDRs), are exempt from this requirement. Return the PQDR to the Screening Point with undetermined cause, and reference the RCN of the primary PQDR in the Completion Notification. If the decision is to recommend closure of the PQDR with an undetermined cause, provide the justification in the PQDR Final Reply.

C24.5.5.4. Determine if item was ordered on a commercial contract and may only require a contractor to rework, replace item, or provide refund. In this case, do not investigate.

C24.5.5.5 Determine if the same deficiency is under investigation or was resolved in a previous report. If so, do not start a new investigation. Copy the investigation results from the “parent” investigation into the “child.” Include the number of the “parent” RCN in the investigation findings to provide a paper trail. Provide information on planned restitution to the Component that submitted the PQDR (item repaired, replaced, or credit authorized) and disposition instructions. If a Support Point previously provided support on the investigation, forward a copy of the additional PQDR to the responsible Support Point. Include the contractor's position about repair and or replacement of deficient materiel to the report.

C24.5.5.6. Based on contract, determine the place of inspection and acceptance (I/A).

C24.5.5.7. Conduct a **preliminary** ~~independent~~ investigation to determine the need for investigation by Support Point.

C24.5.5.8. Alert all stakeholder DoD components of suspect materiel, **and request the stakeholders perform a stock screening. If stakeholders discover additional suspect materiel, request they suspend the stock and submit**

PQDRs on the assets. ~~requesting suspension or screening when necessary.~~ If other stakeholders contain **possess** same materiel, request quantity of materiel. ***Provide other Screening Points of DoD Components and agencies that have defective materiel with results of the investigation and corrective action within three calendar days.***

C24.5.5.9. Forward PQDR and supporting documentation to Support Point when necessary.

C24.5.5.10. Use the AIS ~~to will~~ notify Support Point of deficient materiel quantity variations.

C24.5.5.11. Control scope of investigation and use all reasonable measures to determine the root cause of the deficiency, the necessary corrective actions, and the actions needed to prevent reoccurrence.

C24.5.5.12. Provide disposition instructions to all stakeholders. ***Additionally, provide initial disposition instructions to the Screening Point for materiel held (that is, in a suspended SCC) by the Originator/Originating Point, and at all other points where there is deficient materiel. Reclassify all materiel as soon as possible.***

C24.5.5.13. Facilitate exhibit shipment requests.

C24.5.5.14. Review Support Point final investigation replies for adequacy and resolve differences when necessary.

C24.5.5.15. Provide final disposition instructions to Support Point, when necessary.

C24.5.5.16. Take corrective and preventive action on the cause of the deficiency regardless of whom was responsible for the product deficiency.

C24.5.5.16.1. If the deficiency was the contractor's responsibility, determine if the item was inspected at source. If so, ask the deficiency program manager at the Contract Management Office who knows the Prime Contractor to work with the contractor in the investigation. Provide a corrective and preventive action response. If the item was not source inspected, ask the contracting office responsible for the contract to have the contractor investigate the deficiency. Once it is completed, provide a corrective and preventive action response. If the investigation confirms the deficiency was the contractor's responsibility, provide investigation results to the contracting officer responsible for the contract so they may seek cost-free repair, replacement, or reimbursement for the deficient materiel.

C24.5.5.16.2. If the deficiency is the result of a technical data error, request the proper engineering element provide a corrective and preventive action response. The response should include a product improvement action.

Implementation of the product improvement action is not necessary before closing the PQDR. Replies should assure that procedures to prevent later procurements of the item, including the same technical data error, are in place.

C24.5.5.16.3. If the PQDR is the result of a procurement deficiency, request the contracting officer review related contracting procedures. Request the contracting officer review all active and proposed contracts for that item and for like deficiencies and suitable corrective and preventive action.

C24.5.5.16.4. If the deficiency is the result of a maintenance error, request or recommend the responsible maintenance function take corrective and preventive action.

C24.5.5.17. Prepare and forward a final reply to the Screening Point, which includes:

C24.5.5.17.1. Results of Support Point investigation, when applicable.

C24.5.5.17.2. Cause of the reported deficiency or reason for not finding out the cause.

C24.5.5.17.3. Responsibility for the deficiency; for example, contractor, maintenance, procurement, design, or technical data package error as determined by the Action Point, or reason for not knowing what was responsible.

C24.5.5.17.4. Extent and findings of the investigation.

C24.5.5.17.5 Actions taken to correct the existing deficiency including disposition of all deficient materiel and actions taken to prevent recurrence of the deficiency.

C24.5.5.17.6 Need for alert notifications.

C24.5.5.17.7 The severity classification (minor/major/critical) of the PQDR.

C24.5.5.18.8 Comment about recommendation for credit, replacement, or repair. Credit adjustments for deficient materiel using Military Standard Billing System, Vol 4 (DLM 4000.25, procedures, Service, or Agency regulations. Authorize credit, repair, or replacement if the deficiency is valid and the items are unserviceable. Note: Credit will not be provided until all materiel requested for credit has been returned to the issuing contracting agency.

C24.5.5.18.9. Determine whether investigation results warrant notice under the GIDEP.

C24.5.5.18.10. Provide timely resolution updates to PQDRs. Effective communication precludes the need for continuous follow-up and reconciliation from aged or overdue PQDRs. The complexity of the investigation may delay resolution. When delays occur, update the Screening Point with current progress and provide an expected resolution date. When Screening Points follow up on overdue PQDRs, provide emphasis to responding or resolving the follow up/reconciliation listings to ensure timely and accurate PQDR status.

C24.5.6. Support Point Responsibilities:

C24.5.6.1. ~~Communicate with Action Point to include, for example, interim replies: CAT I – 20 days / CAT II – 30 days to the screening point and originator at a minimum.~~ Acknowledge receipt of investigation requests to Action Points and include date reply is due within 24 hours for a Category I PQDR and three calendar days for a Category II PQDR. Note: If the period for acknowledging the receipt of the investigation request falls during shut down periods (weekends or holidays) notify them on the next business day.

C24.5.6.1.1 Communicate with contractors on all issues as necessary.

C24.5.6.2. AIS acknowledges receipt of PQDRs.

C24.5.6.3. ~~Request exhibits when required.~~ Request exhibit within seven calendar days after receipt of a PQDR, when needed for the investigation. Unless provided, transportation costs for shipping an exhibit to the investigation point (for example, contractor or Support Point) is the responsibility of the Government Originator, or when appropriate, the Action Point. Notify the Action Point when the exhibit arrives within five calendar days of exhibit receipt.

C24.5.6.4. Conduct an independent investigation (scope and depth as determined from the total facts available in each case) to determine the cause of the deficiency and the corrective and preventive action necessary. Reply with the investigation results, regardless of contract status.

C24.5.6.5. Ask the contractor to investigate to determine all causes of the deficiency and identify corrective actions.

C24.5.6.6. Evaluate the contractor's investigation report and corrective actions.

C24.5.6.7. When a PQDR is received, perform the investigation following the Service or Agency regulations. In case of conflict, contractually

prescribed warranty provisions take precedence over the requirements of the PQDR document and this policy.

C24.5.6.8. Prepare and forward an interim and final reply to the appropriate Action Point for Category I PQDRs within 20 calendar days if no exhibit is necessary, or within 20 calendar days after receipt of an exhibit. Prepare and forward the reply to the appropriate Action Point for Category II PQDRs within 30 calendar days if no exhibit is necessary, or within 30 calendar days after receipt of an exhibit. DCMA shall use the DLA Form 1227, Product Quality Deficiency Investigation Report (form, message, electronic facsimile or Email format) for transmitting PQDR investigation results from manufacturing, maintenance, or overhaul facilities. Forward, as attachments to the DLA Form 1227, copies of any contractor letters, forms, test reports, or inspection records that document the PQDR investigation. The final reply to the Action Point will include:

C24.5.6.8.1. Cause of the deficiency that includes a determination of responsibility. If unable to determine the cause, include the reason in the response to the Action Point.

C24.5.6.8.2. Corrective and preventive action by the responsible activity.

C24.5.6.8.3. Corrective and preventive action by the investigating Government office.

C24.5.6.8.4. Evaluation of current assets including current production or stock.

C24.5.6.8.5. Statement of position on repair or replacement of deficient materiel. Ask for exhibit disposition instructions.

C24.5.6.8.6. Results of investigations conducted at manufacturing, maintenance or overhaul facilities.

C24.5.6.8.7. If the exhibit does not arrive within 60 days of the request, close the request and notify the Action Point. Tell them the investigation cannot advance until the exhibit arrives and the PQDR reopened.

C24.5.6.9. On completing the investigation, ask the Action Point for disposition instructions. The Support Point will give disposition instructions to the contractor.

C24.5.6.10. Use the PQDR investigation report message format and DLA Form 1227 Product Quality Deficiency Investigation Report for sending investigation reports to the Action Points.

C24.5.6.11. The Action Point should send disposition instructions within 30 calendar days following the final investigation reply. If not, request the contractor to return the exhibit to its place of origin via the property transfer functionality within the Invoice, Receipt, Acceptance, and Property Transfer application (part of the Wide Area Workflow e-Business Suite). Include the transportation control number related to the original shipment. If the exhibit is obviously scrap materiel or the contractor fails to return the exhibit, request the plant clearance officer to effect disposition and disposal under FAR Part 45: Government Property, Subpart 45.6—Reporting, Reutilization, and Disposal.

C24.5.6.12. Screening processes to remove deficient materiel. Deficient materiel screening procedures will:

C24.5.6.12.1. Identify actions to account for deficient materiel.

C24.5.6.12.2. Identify the DoD Component POC that the Action Point is to contact to provide alert notices related to suspect materiel.

C24.5.6.12.3. Aid in finding the quantity and location of deficient materiel within their DoD Component.

C24.5.6.12.4. Send alerts on safety or critical items to freeze stock and provide instructions for other deficient materiel when appropriate.

C24.5.6.12.5. Consider screening/inspecting stock to determine the quantity of deficient materiel to report.

C24.5.6.12.6. Monitor screening and alert actions to ensure completion of all requested actions.

C24.5.6.12.7. Keep documentation of screening and alert actions and provide it to requesting activities.

~~C24.5.6.4. Notify Action Point of receipt of exhibits.~~

~~C24.5.6.5 Request contractor investigation.~~

~~C24.5.6.6 Perform independent investigation of government records and reports.~~

~~C24.5.6.7. Ensure contractor's investigation addresses root cause, corrective action, and when applicable preventative actions.~~

~~C24.5.6.8. Document investigation results including summary codes in the AIS.~~

~~C24.5.6.9. Attach all supporting documentation to PQDR.~~

~~C24.5.6.10. Provide interim replies for status updates to Action Point at 30 day intervals minimum.~~

~~C24.5.6.11. Request final disposition instructions if not previously provided.~~

C24.5.6.12. **8.** Provide final disposition instructions to the contractor.

C24.5.6.13 **2.9.** Forward final replies to Action Point.

C24.6. PQDR 842P DLMS TRANSACTION SET OVERVIEW.

C24.6.1. Detailed Requirement. When data is required to be exchanged across Component lines or between EBS, PDREP and JDRS, the PQDR data exchanged will pass through the PDREP business rule validation protocol, DAAS, and be compliant with the DLMS 842P IC (Future implementation). The sending system is responsible for complying with the DLMS 842P IC format and including the applicable data elements. The report control number (RCN) is the key identifier for each unique PQDR and will be perpetuated with each transaction. PDREP will validate each transaction for required data elements and reject incomplete or non-compliant transactions to the sending system. In addition, PDREP will maintain a transaction history and a composite record of the AIS having received a prior transaction for each RCN. PDREP history tracking will be by Transaction Set Purpose Code data exchanges. History tracking will display both the Transaction Set Purpose Code as well as the description of the transaction. Additionally, transactions that require a specified data element accompany that transmission, as described in Appendix 7.27 of this DLMS Volume, will also display the data element name, code and code description. PDREP will route a copy of all subsequent transactions to the AIS.

C24.6.1.1. PQDR Transaction Sets. The PQDR transaction set is used to move all PQDR data as listed in DLMS 842P (Future implementation) between the various PQDR processing points (Originator/Originating Point, Screening Point, Action Point, and Support Point). It is also used to facilitate PQDR exhibit movement, and exchange pertinent correspondence and/or data regarding a PQDRs status (i.e., interim responses, general correspondence, etc.). The DLMS 842P IC, PQDR Data Exchange, replaces system unique transactions currently used to exchange PQDR data by providing the ~~DOD~~ **DoD** Components with a standard electronic transmission method for PQDR data exchange between AISs.

C24.6.1.2. PQDR Movement Transactions. The DLMS 842P moves the PQDR between the different investigating points. PQDR Inter-Service data exchange is required IAW DLMS 842P. Data required in each transaction is defined in the DLMS 842P IC. All transactions will have the ability to provide attachments as needed.

C24.6.1.3. The procedure by which PQDR processing points may update any data element and at what point in the PQDR process is also defined in the DLMS 842P IC. For inter-Service PQDRs, communication both to and from Originators must only be sent to the Screening Point for evaluation regardless of transaction code. PQDR

processing points can only directly communicate with the processing point immediately preceding or following them. Additional business rules can be found in Appendix 7.27 of this volume.

C24.6.2. Product Data Reporting and Evaluation Program (PDREP). The term PDREP refers to both the overall business process and supporting automation, including both direct web input and transaction exchange. PDREP promotes continuous process improvement of supply chain processes within the DoD for increased materiel readiness by providing a means to hold external DoD suppliers and internal supply chain stakeholders accountable. PDREP-AIS formerly known as the Product Quality Deficiency Report Inter-service Interface (PQDRII), is the DoD's PQDR system of record. PDREP-AIS supports DLMS implementation that enables PQDR transaction exchange; provides a web-based entry method to assist users who are not supported by another DLMS-compliant PQDR application; and provides visibility of PQDRs for research and trend analysis via management report/query capability. PDREP-AIS will allow users to query the transaction history by Report Control Number (RCN), view a composite of the PQDR, and provide central points of contact in the event of a transaction failure.

C24.6.2.1. The PDREP-AIS PQDR application automates the Standard Form (SF) 368 paper form, facilitating the DoD standard transactional exchange described above. It brings the PQDR into an integrated transactional environment, supporting both direct input (under Component business rules) and transaction exchange originating within Component applications. PDREP-AIS facilitates communication and interoperability between U.S. Military, Federal Agencies, Contractors, and the International Logistics Control Office (ILCO) on behalf of the Security Assistance customer. It controls routing of web submissions and logistics transactions according to established business rules. It supports information exchange between the customer, the Inventory Control Point (ICP)/Integrated Materiel Manager (IMM), the Originating Point, Screening Point, Action Point, Support Point, Contractor, and other Stakeholders. It encompasses many transaction types between multiple parties to include, but not limited to, new report submission, correction/modification, cancellation, follow-up, requests for reconsideration (rebuttals), and PQDR investigation results (including interim responses, additional information requests, and resolution responses), in addition to the capture of report and response management statistics. Access to PDREP PQDR management reports requires submission of a User Access Request (UAR) to the PDREP System home page.

C24.6.2.2. PDREP provides an automated process for tracking PQDR response information. Data collected will enable the ~~DoD~~ **DoD** to identify trends of volume and dollar values of PQDRs. This allows users to bring management attention to problems with materiel quality and supplier performance information as necessary; improving the requisitioning and distribution process within logistics operations. This process provides an effective means to report, resolve, and measure deficiencies related to supply chain performance.

C24.6.2.3. The ~~DoD~~ **DoD** requirement is that paper submission of PQDRs and non-DLMS compliant PQDR applications will be fully phased out with migration to DLMS. By exception, until electronic reporting under DLMS is universally available, PQDRs and associated responses may be reported via hard-copy SF 368, encrypted email, through customer service help lines or any other manner acceptable to the submitter and recipient. All manner of inter-service transactional reporting must meet the criteria described in this chapter.

C24.6.2.4. DoD Components with an established interface with PDREP, through DAAS for PQDR processing, will designate primary and alternate representatives for the Component PQDR AIS to the PDREP System Administrator. These representatives will be notified via email when catastrophic transactional failures occur during PDREP business rule validation protocols. Catastrophic transactional failures are those that are so severe that PDREP will not generate a Transaction Set (TS) Purpose Code (TS-44) and corresponding Reject Advice Code. Components will provide name, telephone, and email address to the PDREP System Administrator, and to the DAAS.

C24.6.2.5. Systemic update of the PDREP-AIS for exhibit tracking is provided as a by-product of standard logistics transactions. When received at a distribution center, the receipt transaction will identify the PQDR RCN and an information copy of the receipt will be provided. Similarly, when a DLMS shipment status transaction is prepared for the shipment of an exhibit, the shipment status will perpetuate the PQDR RCN from the release order. When the Support Point returns the PQDR back to the Action Point because the exhibit(s) was not received, control of the PQDR transfers back to the Action Point. If the exhibit(s) arrives at the contractors facility after the PQDR was returned by Support Point to the Action Point, and the PQDR is currently located at the Action Point, the Action Point should rebut (TS-RR) the PQDR back to the Support Point for processing; if the PQDR is located at the Screening Point or was closed, the Screening Point reopens (TS-RO), if necessary, and rebuts (TS-RR) the PQDR to the Action Point level.

C24.6.2.6. Services/Agency information systems may perform additional tasks within their information systems as long as they do not interfere with the DoD processing of inter-Service PQDRs. Data elements may only be updated by personnel processing PQDRs at the point in the PQDR Timeline process flow IAW DLMS 842P IC.

C24.6.2.7. DLA will not reopen a PQDR investigation after 180 days of sending a Completion Notification (TS-CN) Final Reply with no response (action) by the Screening Point. On day 181 or later, a new PQDR (RCN) would need to be issued referencing the old RCN, if further action by the Action Point or Support Point is required

C24.6.2.8. When it is determined that credit should be issued after the PQDR has been closed by all parties, the Originator or Screening Point must submit a new PQDR and reference the original PQDR RCN.

C24.7. Product Quality Deficiency Investigative Closing Requirements.

C24.7.1. Input by either the PQDR Action Point or Support Point, the information to be entered in each data element is dependent upon the type and cause of the deficiency, and the information requested may not be appropriate in all cases. The information requested is typical when the cause of the deficiency is due to non-conformance with contract requirements. The investigative closing codes provide specific details about the findings of the investigation. Together these codes make up seven segments of investigation related data forming a nine-character code referred to as the Summary Code. All segments of the investigative closing codes must be completed prior to the Action Point submitting a Final Reply. Failure to complete each of these data elements by the Action Point will result in the transaction being rejected.

C24.7.1.1. The seven segments of closing data include (1) defect responsibility, (2) severity of the defect, (3) broad classification of the cause, (4) detailed cause of the defect, (5) preventative action taken because of the defect, (6) corrective action taken for the defective materiel, and (7) disposition of the deficient materiel. A complete list of investigative closing codes can be found in Appendix 7.27 of this Volume.

C24.8. Bare item marking(s) are markings directly applied (or permanently affixed) to the surface of the item itself, not the packaging or the documentation, which are required by a technical data package, military specification, drawing, federal legal standard, or other technical document. Materiel missing bare item markings will be considered deficient and reported as PQDRs by all end users at the installing or using activity.

C24.8.1 When materiel is reported as a PQDR due to issues related to bare item marking(s), and the missing marking does not change the form, fit or function of the item, Screening Points and Action Points will collectively decide whether the initial deficiency being reported under the same NIIN, CAGE, contract number, and deficiency description, requires a full investigation to determine root cause, or if it is acceptable to close it as an isolated incident pending subsequent reporting. Any subsequent reporting will automatically require a full technical evaluation to determine the recurrent root cause.

C24.8.2. Form, Fit, and Function is technical data pertaining to items, components, or processes for the purpose of identifying source, size, configuration, mating and attachment characteristics, functional characteristics, and performance requirements. CFR 22 CFR § 120.42 defines Form, Fit, Function as follows:

C24.8.2.1. Form. The form of a commodity is defined by its configuration (including the geometrically measured configuration), materiel, and materiel properties that uniquely characterize it. For software, the form means the design, logic flow, and algorithms.

C24.8.2.2. Fit. The fit of a commodity is defined by its ability to physically interface or connect with or become an integral part of another commodity. For software, the fit is defined by its ability to interface or connect with a defense article.

C24.8.2.3. Function. The function of a commodity is the action or actions it is designed to perform. For software, the function means the action or actions the software performs directly related to a defense article or as a standalone application.