**C21. CHAPTER 21**

**STOCK READINESS PROGRAM**

C21.1. GENERAL. This chapter provides general information supporting the DoD Stock Readiness (SR) Program. The authoritative source for detailed procedures pertaining to this program is
DLAR (JSR) 4145.04/AR 740-3/AFMAN 23-125/NAVSUPINST 4400.100B/MCO 4450.15B, Stock Readiness. Under the SR Program, the Department of Defense requires uniform care of supplies, including the inspection and reporting of condition and serviceability of materiel, and the scheduling, controlling, and reporting of packaging and other cost reimbursable actions in support of the stock readiness program. This chapter provides an overview of the DLMS transactions that support the stock readiness program. Initial implementation is internal to DLA and its storage activities using Distribution Standard System (DSS). The DoD Components will phase in usage during modernization. All transactions must be processed through the Defense Automatic Addressing System (DAAS). Capability to support communication with non-DLMS owner/managers and non-DSS storage sites using email and web-based processing is authorized.[[1]](#footnote-1)

###  C21.1.1. Stock Screening Request/Reply. The electronic stock screening request is used by materiel owners/manager to request storage activities to perform a screening action based upon specified criteria. The storage activity will provide an electronic response to the request with results of the screening or to report that materiel matching the screening criteria was not found. The DLMS 842C/I, Stock Screening Request and 842C/R Stock Screening Reply transactions replace the manual tracking and communication of screening requests and results where electronic capability is supported. This DLMS enhancement provides the DoD Components with the capability to use an electronic transmission method within their inventory management systems and improve tracking and management of screening actions.

###  C21.1.2. Storage Quality Control Report (SQCR)/Reply. The electronic SQCR is used by the storage activity to report storage quality issues requiring stock readiness work (e.g. repair, repackaging, testing, etc.) to the owner for approval. The DLMS 842S/Q, Storage Quality Control Report and 842S/R SQCR Reply transactions, replace the SQCR, DD Form 1225, for information exchange under the DLMS. This DLMS enhancement provides the DoD Components with the capability to use an electronic transmission method within their inventory management systems and eliminates the exchange of hardcopy documents. This process includes both the storage activity report and the owner reply, including capability for an interim reply. The storage activity will provide a completion notice to inform the owner/manager that requested disposition has been completed.[[2]](#footnote-2)

## C21.2. APPLICABILITY AND SCOPE. This guidance is applicable to DoD Components owner/managers and storage activities. It applies to classes of supply that are managed by the DoD Components and stored at the storage activities, except Class V, Class VI, and Bulk Class III. Use is required for materiel stored operating under the DLA Distribution Standard System (DSS) and is supported by Component direction for other storage activities.

## C21.3. STOCK SCREENING REQUEST/REPLY OVERVIEW. The materiel owner/manager will create a stock screening request to notify distribution activities to screen for potentially quality deficient/defective materiel. Triggers for stock screening actions include a Product Quality Deficiency Report (PQDR), Supply Discrepancy Report (SDR), the critical item management (CIM) process, or other notification of defect. The materiel owner/manager will identify materiel to be screened by NSN, part number/CAGE or other authorized form of materiel identification, specify the inspection type, and provide detailed instructions for the stock screening criteria (e.g., part numbers, vendor, markings, contract, etc.). Screening instructions may be defined by data elements within screening request or by narrative remarks. Materiel managers can create a stock screening request for all inspection types. Materiel owners may create a stock screening request only for Type Inspection Code P, which is used to request a special inspection at a single storage activity. Materiel owners will coordinate all other stock screening requests with the materiel manager.

###  C21.3.1. Under DLMS, the stock screening request is prepared using the DLMS 842C/I, Stock Screening Request. The owner/manager will create and transmit a separate transaction for each action and information copy recipient (i.e., 28 transactions prepared for 28 storage activities). The owner/manager will identify as the action recipient those storage activities known by the owner/manager to have the materiel in question in storage. An information copy will also be provided to all other storage activities that might possibly have the identified stock in storage. When directing a stock screening request to a DLA Distribution Center, all DLA Distribution Centers must be identified as either action or information copy recipients. This process will ensure that all applicable materiel is screened, to include, for example, DLA-managed materiel that is now owned by the DoD Components. The only exception to this is for Type Inspection Code P, which is used to request a special inspection at a single storage activity. For Type Inspection Code P, information copies will not be provided to other storage activities.

###  C21.3.2. The stock screening request will remain open in the owner/manager application until a reply is received from all the action storage activities/locations indicating that the stock screening has been: completed with no defects found; completed with SQCR created; or completed with a “no stock” reply. An interim reply may be provided under exceptional circumstances with explanatory comments. When all action activity replies have been received, the request will be closed.

###  C21.3.3. Under DLMS, the stock screening reply is prepared using the DLMS 842C/R, Stock Screening Reply, to close the automated coordination of stock screening actions. Storage activities will send a stock screening reply transaction to the owner/manager for storage activities identified for action. If no stock is stored at a particular storage activity, the storage activity will send a “no stock” reply where designated for action.

###  C21.3.4. If the storage activity finds stock within its location, the storage activity will automatically create an inspection workload using the data from the stock screening transaction. If the inspection type is critical safety item (CSI), the storage activity will automatically freeze the stock. When the inspection is complete, action storage activities will send a reply to the owner/manager with the results of the stock screening and close the screening request. When materiel is found matching the screening criteria, the reply will specify the quantity and condition of the materiel. Depending upon the results of the screening, the reply may indicate that an SQCR will follow.

###  C21.3.5. No screening reply is prepared by information stock screening request recipients. This is true regardless of the results of the screening. However, if defective materiel is located at a storage activity receiving only an information copy, an SQCR may be prepared for the materiel owner following guidance below.

###  C21.3.6. Detailed Requirements. The owner/manager preparing the stock screening request will assign a suspense date based on the inspection type. The owner/manager will specify screening criteria as appropriate. Only one procurement instrument identifier (PIID)[[3]](#footnote-3) (optionally including CLIN) or vendor may be specified per request. When a PIID call/order number (F in 9th position) is used, provide the value in the PIID field. The materiel owner/manager may specify up to five CAGE/part number or batch/lot number combinations associated with an NSN, (e.g., for CSI inspections). The owner/manager will assign an internal reference number for identification of the stock screening request, that may be used to associate the request with the triggering event. This reference number may be systemically assigned and will be perpetuated to the stock screening reply and any resulting SQCRs. A document number is required to ensure a DoD-wide unique control number. Both the stock screening reference number and the document number must be included in all transactions. In addition, when applicable, the Product Quality Deficiency Report (PQDR) report control number (RCN) or the SDR document number will be included to provide a cross reference when the screening action is triggered by a PQDR or SDR.

 C21.3.6.1. Receipt Restriction. During Stock Screening Request creation, the owner/manager is required to identify if a receipt restriction is needed to identify and suspend materiel matching the screening criteria during receipt.[[4]](#footnote-4) If a receipt restriction is needed, the owner/manager will have the option to provide an expiration date of the receipt restriction. If an expiration date is not provided, the storage activity must be contacted to modify or delete receipt restrictions. Suspended materiel identified through the receipt restriction will be reported to the owner via SDR receipt notification under Chapter 17 pending enhanced procedures to notify both the owner and the manager.[[5]](#footnote-5)

###  C21.3.6.2. Inspection Types.[[6]](#footnote-6) Stock screening requests may be prepared for the inspection types listed in Table C21.T1. Inspection type is identified within the screening request and reply by the Type Inspection Code. The suspense date for completion of the screening action by the storage activity will be based upon the type of inspection requested per Table C21.T1.

### Table C21.T1. Type Inspection Code and Suspense Table

| Type Inspection Code | Definition | Usage | Storage Activity Suspense |
| --- | --- | --- | --- |
| F | Safety of Flight (SOF)  | Special inspection of SOF materiel or Aviation Safety Action Message (ASAM) | 5 days |
| P | Special Inspection for Single Location  | Specific to one storage activity (for example, take pictures of materiel at specific location) | 15 days |
| Q | Quality Related  | Applicable to screening subsequent to PQDR or SDR | 15 days |
| R | Reimbursable | Reimbursable special inspection. Goes to all DLA Distribution storage locations (action copy to those known to have materiel in stock and info copy to all others) | 30 days |
| U | Safety of Use (SOU) | Special inspection of SOU materiel | 5 days |
| X | Critical Safety Item (CSI) | Special inspection of CSI materiel  | 5 days |
| Z | Suspect counterfeit | Inspection triggered by suspected counterfeit materiel/unauthorized product substitution (CMUPS) | 15 days |

###  C21.3.6.3. The owner/manager request format performs four functions:

###  C21.3.6.3.1. Stock Screening Request for Action. This is the basic request sent to storage locations where materiel matching screening criteria is known to be held.

 C21.3.6.3.2. Informational Stock Screening. This is sent to storage locations where materiel matching screening criteria is not known to be held, but which may hold such materiel owned by other organizations.

 C21.3.6.3.3. Cancellation. This cancels a previously transmitted request.

 C21.3.6.3.4. Additional Comments. This identifies a follow-on separate transmission that provides clarification of the original request.

 C21.3.7. The storage location reply format performs five functions:

 C21.3.7.1. No Stock Found. Used by action storage activities to inform the owner/manager that no materiel matching the screening criteria was located.

 C21.3.7.2. Stock Screening Completed. Used by action storage activities to inform the owner/manager that the stock screening action is complete and provide the results of the screening.

 C21.3.7.3. Interim Reply – Comments Provided. This is used by exception when necessary to communicate with the owner/manager prior to completion of the screening action, e.g., to request additional time or clarification of the screening criteria.

 C21.3.7.4. Not Processed – Additional Comments Rejected. This is used to provide notification that the additional comments from the owner/manager cannot be processed because the screening action has been completed and closed.

 C21.3.7.5. Cancellation. This cancels a previously transmitted reply so that a corrected reply may be provided.

C21.4. STORAGE QUALITY CONTROL REPORT PROCESS OVERVIEW. The SQCR is submitted by storage activities when changes in the condition of stocks are discovered during stock surveillance, inspections/screening, or during distribution processes requiring stock inspection/screening. The SQCR is forwarded to the materiel owner to obtain disposition instructions, to include approval for reimbursable stock readiness work, e.g. repair, repackaging, testing, etc.

 C21.4.1. Triggers for preparation of the SQCR include:

 C21.4.1.1. Changes to an unserviceable condition when it is determined that there may be contractor liability for unserviceability under the terms of warranty clauses or unserviceability is due to a latent quality defect. Materiel in this condition must be transferred to SCC L (suspended litigation) pending negotiation with contractor(s) or receipt of disposition instructions.

 C21.4.1.2. Transfers to SCC D (serviceable – test/modification),
E (unserviceable – limited restoration), F (unserviceable – repairable), G (unserviceable – incomplete), J (suspended in stock), and L (suspended – litigation).

 C21.4.1.3. Changes in condition of dated, limited shelf-life materiel, medical, or subsistence items.

 C21.4.1.4. The item in stock is unidentified or misidentified.

 C21.4.2. Under DLMS, the SQCR is prepared by using the DLMS 842S/Q, SQCR. Where DLMS is not supported, the SQCR will be entered via WebSQCR[[7]](#footnote-7) to the materiel owner pending implementation of the DLMS or DAAS capability to convert transactions to email.

 C21.4.3. Under DLMS, the SQCR response is prepared using the DLMS 842S/R, SQCR Reply. Where DLMS is not supported, the materiel owner will reply via WebSQCR.[[8]](#footnote-8)

 C21.4.4. Upon completion of authorized reimbursable stock readiness work, the storage activity will provide a completion notice to the materiel owner.

 C21.4.5. Detailed Requirements. The storage activity must prepare an SQCR for each item, reporting quantity by condition code. The storage location may also be provided (up to 20 locations may be identified per SQCR). Notification of SQCRs are forwarded to the appropriate materiel owner stock readiness (SR) coordinator for response by WebSQCR-generated email. The SQCR will use up to two discrepancy codes in conjunction with narrative remarks to identify the problem being reported. The SQCR will remain open in at the storage activity until disposition is received from the materiel owner. The SR coordinator reviews the item for excess stock position, cost of action in relation to the value of materiel, etc., and approves or disapproves the stock readiness action request. When disapproving the stock readiness request, the SR coordinator will concurrently provide disposition instructions for the materiel. When approving the SR request, the SR coordinator will reply to the storage activity for action. A disposition/status reply code is available in the DLMS format to communicate the reply to reduce reliance on narrative text and to facilitate automated tracking/trend analysis.

 C21.4.6. Inspection Types. An SQCR may be prepared as a result of any of the following inspection types: SOF (including ASAM), special inspection, quality related (e.g., investigation resulting from a PQDR or SDR), SOU, CSI, visual (care of supplies in storage (COSIS)) shelf-life inspection (cyclic), or suspect counterfeit. The inspection type is identified within the SQCR and reply by the type inspection code.[[9]](#footnote-9)

Table C21.T2, Type Inspection Code and Suspense Table

| Type Inspection Code | Definition | Usage | Storage Activity Suspense |
| --- | --- | --- | --- |
| C | Visual | Monthly COSIS inspections  | Monthly |
| F | Safety of Flight (SOF) | Special Inspection of SOF materiel or Aviation Safety Action Message | 5 days |
| P | Special Inspection at Single Location | Specific to one storage activity (for example, take pictures of materiel at specific location) | 15 days |
| Q | Quality Related | Applicable to screening subsequent to PQDR or SDR | 15 days |
| R | Reimbursable | Reimbursable special inspection. Goes to all DLA Distribution storage locations (action copy to those known to have materiel in stock and info copy to all others) | 30 days |
| S | Shelf Life | Monthly cyclic inspections for shelf life items | Monthly |
| U | Safety of Use (SOU) | Special inspection of SOU materiel | 5 days |
| X | Critical Safety Item (CSI) | Special inspection of CSI materiel | 5 days |
| Z | Suspect counterfeit | Inspection triggered by suspected counterfeit materiel/unauthorized product substitution (CMUPS) | 15 days |

 C21.4.7. The storage activity will provide materiel identification by NSN manufacturer’s CAGE/part number, or other form of materiel identification authorized by the DLMS format. It will also support identification by description if needed. Data content is comparable to the DD Form 1225. When applicable, the report will include the stock screening request reference number as a cross-reference between the screening request and the resulting SQCR. The SQCR will use up to two discrepancy codes to identify the non-conformance situation. It provides the estimated/actual cost for repair or repackaging. Item unique identification (IUID) data requirements will be populated on the SQCR in accordance with DoD Supply Policy when NSNs have an IUID Indicator Y.[[10]](#footnote-10)

 C21.4.7.1. The storage activity SQCR format performs five functions:

 C21.4.7.1.1. Original Report (Transaction Set Purpose Code 00)

 C21.4.7.1.2. Correction (Transaction Set Purpose Code CO)

 C21.4.7.1.3. Cancellation (Transaction Set Purpose Code 01)

 C21.4.7.1.4. Follow-up (Transaction Set Purpose Code 45)

 C21.4.7.1.5. Reconsideration Request (Transaction Set Purpose Code 15). This is used when the storage activity does not agree with the requested action, allowing the storage activity an option to request further review by the owner.

 C21.4.7.2. The SQCR reply format performs four functions:

 C21.4.7.2.1. SQCR Reply. This is used by the materiel owner to provide disposition instructions on requested stock readiness work.

 C21.4.7.2.2. SQCR Interim Reply. SQCR interim replies (Transaction Set Purpose Code 11) are used by the materiel owner to request additional information or clarification from the storage activity on requested stock readiness work. This requires inclusion of Reply Code 104 and clarifying narrative remarks. The submitting activity is encouraged to respond immediately, but no later than 31 days from issuance of the request. In a transactional response to the request for additional information, the submitting activity must provide a status update (Transaction Set Purpose Code SU) using Reply Code 321 to notify the action activity that the requested information is being provided or the submitter may provide clarification via off-line communication. No more than three request/response transactions per SQCR will be allowed. A fourth transmission of Reply Code 104 or 321 will result in systemic rejection and will require manual attention.

 C21.4.7.2.3. Status Update. A status update (Transaction Set Purpose Code SU) is a form of reply prepared by the activity that submitted the SQCR. It is used by the storage activity to provide information to the materiel owner, often in response to an interim reply requesting additional information or clarification. Using the Status Update allows for two-way communication between the submitting activity and the owner.

 C21.4.7.2.4. Completion Notice. A completion notice (Transaction Set Purpose Code CN), is used by the storage activity to communicate with the materiel owner that final action has been taken on the SQCR. This is equivalent to indicating the storage activity has closed the SQCR. The completion notice provides closing remarks and the date the closing action was completed.

 C21.4.8. Missing Serial Number. In support of Financial Improvement and Audit Readiness (FIAR) )***,*** accountability and management of capital equipment assigned under an established unique Item tracking (UIT) program requires serialization data visibility. Thus, items with an approved UIT designator codelocated in storage without a serial number will not only require an SQCR, but will stop the equipment in the supply chain until a serial number is identified and the materiel is marked. Distribution centers must suspend the item in SCC J and prepare an SQCR. Cite the applicable discrepancy code and provide clarifying remarks with descriptive information for the item. If the storage activity is unable to determine the missing serial number from inventory records, the materiel owner is responsible for determining the appropriate serial number and providing disposition for marking the item (Reply Code 611).[[11]](#footnote-11)

 C21.4.9. Quality Related Issues Identified as a Result of a Stock Screening Request Initiated by a Non-Owning Manager.[[12]](#footnote-12) When the DLA Distribution Center receives a Stock Screening Request, the inspection workload is automatically generated in DSS. The DLA storage activity must record the inspection results in DSS and forward to the item manager. If the inspection results identify non-manager owned suspected non-conforming materiel, the DLA storage activity will suspend the materiel and must prepare a SQCR to the item manager with an information copy to the non-managing owner. The SQCR will include Action Code 4A indicating the SQCR is for non-manager owned materiel. The Stock Screening Request number will be perpetuated on the SQCR. This process is primarily designed to allow the non-managing owner to obtain credit for non-conforming materiel that is located in a DLA storage activity and return that materiel to the manager’s ownership.

 C21.4.9.1. Upon completion of the investigation, if the suspended materiel is found to be non-conforming, the manager will provide an interim SQCR response to the owner(s) using Reply Code ***104*** requesting original requisition numbers and asking the owner to create a ship-in-place MRO to the distribution center(s) where the materiel is located using the manager-provided document number. Concurrent with the SQCR interim reply, the manager will provide a prepositioned materiel receipt (PMR) to the applicable distribution center(s) identifying the manager as the activity to which the receipt transferring ownership will be directed. If the owner no longer knows the specific document number under which the materiel was requisitioned, a constructed document number ***must*** be used. ***Failing to provide the original document number for material issued by the source of supply (SOS) will result in no credit to the Component performing the return*** when ***using*** a constructed document number.

 C21.4.9.2. Standard Line of Accounting/Accounting Classification Data Elements. Under DLMS, logistics transactions with financial implications are required to carry discrete SLOA/Accounting Classification data elements. This requirement ***does*** ***not*** apply to the SQCR Reply where the original SLOA/Accounting Classification data was not previously provided as indicated by the use of a constructed document number by the non-manager owner requesting credit for suspended stock.

 C21.4.9.3. In order to transfer ownership of the suspended materiel to the manager, the owner will provide a DLMS 940R Materiel Release Order (MRO) to the distribution center. The MRO must be formatted for shipment-in-place and should reflect the full quantity identified on the ***SDR***. Upon processing of the associated receipt, the presence of the ***distribution center number (DCN)*** in the PMR will trigger the generation of a correction to the ***SDR*** data by the distribution center. The ***SDR*** correction will cite Action Code 4B and indicate the quantity transferred to ownership of the manager. Upon successful processing of the receipt for the nonconforming materiel, the manager will provide credit to the owner under MILSBILLS procedures.

 C21.4.9.4. The manager will provide disposition for all suspended materiel via SQCR reply. Additionally, the manager will provide a DLMS 940R Materiel Release to the storage activity to trigger shipment or disposal action as required. Upon completion of the actions identified by the manager’s disposition instructions, the DLA Distribution Center(s) will provide a completion notice to the item manager with an information copy to the original owner.

 21.4.10. WebSS and WebSQCR Processing.

 C21.4.10.1. Owners/managers and storage activities that are not DLMS-capable will prepare the Stock Screening Request, SQCR, or associated reply using the DAAS-maintained WebSS or WebSQCR module within DoD WebSDR. The WebSS and WebSQCR will convert Web-entered Stock Screening Request, SQCR, and associated replies to DLMS transactions when directed to DLMS-capable Service/Agency systems. Activities lacking interface connectivity will receive email notification. Upon receipt of the email notification, authorized users must access the Web to obtain applicable information. Users who fail to access the Web within seven (7) calendar days of the notification email will receive a systemically-generated reminder email.

 C21.4.10.2. Stock Readiness coordinators relying on WebSS and WebSQCR for information exchange must provide email addresses associated with each applicable non-DLMS owner/manager and storage activity Routing Identifier Code (RIC).

 C21.4.10.3. WebSS and WebSQCR will block Web input and reject transactions associated with owner/manager or storage activity RICs that are not capable of receiving DLMS transactions or not registered for automated email notification.

 C21.4.10.4. WebSS and WebSQCR will validate Web input and transactions for correct format and valid data content. Invalid Web input will be blocked and transactions rejected citing the applicable reply code.

 C21.4.11. DAAS Query Capability.[[13]](#footnote-13) WebSS and WebSQCR will include capability to query to provide historical information by: NSN, CAGE/part number, control numbers, PIID or CAGE, date open, date closed, storage activity, and owner/manager. The query function may be used to monitor storage activity responses to requested stock screening actions, displaying which activities have responded and which are outstanding. The stock screening request query will support drill down capability to review the associated SQCRs.

1. Refer to ADC 1045. Target implementation is 1Q FY 2017. [↑](#footnote-ref-1)
2. Ibid. [↑](#footnote-ref-2)
3. Use the legacy PIIN pending transition to the PIID. When using the PIIN, may include the four-position call/order number. Refer to ADC 1161A. [↑](#footnote-ref-3)
4. Refer to ADC 1045. Target implementation is 1Q FY 2017. [↑](#footnote-ref-4)
5. Ibid. [↑](#footnote-ref-5)
6. Ibid. Pending implementation, Code A (ASAM) will remain available for use. [↑](#footnote-ref-6)
7. Ibid. Pending implementation, SQCRs will be forwarded manually. [↑](#footnote-ref-7)
8. Refer to ADC 1045; target implementation is 1Q FY 2017. Pending implementation, the owner will return the SQCR form annotated with the applicable response information. [↑](#footnote-ref-8)
9. Refer to ADC 1045; target implementation is 1Q FY 2017. Pending implementation, the following codes will remain available for use:

 A ASAM

 O Outbound Shipment

 T Stock Readiness [↑](#footnote-ref-9)
10. Refer to ADC 1045; target implementation is 1Q FY 2017. [↑](#footnote-ref-10)
11. Refer to ADC 1198A. [↑](#footnote-ref-11)
12. Refer to ADC 1084. [↑](#footnote-ref-12)
13. Query capability not currently available pending full implementation of ADC 240 and ADC 1045 supporting Web-enhanced Stock Screening Requests and SQCRs. [↑](#footnote-ref-13)