



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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SPRC
11/17/97



IN REPLY
REFER TO

DLMSO

NOV 15 1997

MEMORANDUM FOR: DISTRIBUTION

SUBJECT: Proposed Defense Logistics Management System (DLMS)
Change 18, Revised Threshold for Submission of Packaging
Discrepancies (Supply/SDR)

The attached proposed change to Supply Discrepancy Report (SDR) guidance (formerly Report of Discrepancy (ROD)) published in DoD 4000.25-M, DLMS, Volume 2, Chapter 18, and DLAR 4140.55/AR 735-11-2/SECNAVINST 4355.18/AFR 400-54, Reporting of Item and Packaging Discrepancies, is forwarded for evaluation and submission of a single coordinated Service/Agency position on the proposal. The SDR Focal Point (U.S.) is considered the lead and has primary responsibility to ensure that the proposal is fully coordinated within your Service/Agency.

Request the attached change be reviewed and your comments/concurrence be provided to reach this office within 60 calendar days from the date of this memorandum.

Addressees may direct their questions to Ellen Hilert, DSN 427-6117 or 703-767-6117, e-mail: ellen_hilert@hq.dla.mil. Others may direct questions/comments to their Service/Agency designated representative.

James A. Johnson
JAMES A. JOHNSON
Director
Defense Logistics Management
Standards Office

Attachment

DISTRIBUTION:
SDR Focal Points
DUSD(L/MDM) (S. McNeil)

cc:
DLMS Supply PRC
JLSC MMA (J. Cook)

Proposed DLMS Change 18
Revised Threshold for Submission of Packaging Discrepancies

1. ORIGINATOR:

a. **Service/Agency:** DLMSO/DLA

b. **Originator:** Ellen Hilert, SDR System Administrator, DLMSO, 703-767-6117, DSN 427-6117, or e-mail: ellen_hilert@hq.dla.mil. Joe Maloney, Packaging Specialist, MMLDD, 703-767-3673, DSN 427-3673, or e-mail: joe_maloney@hq.dla.mil.

2. FUNCTIONAL AREA: Supply (SDR Procedures)

3. REQUESTED CHANGE:

a. **Title:** **Revised Threshold for Submission of Packaging Discrepancies.**

b. **Description of Change:** This change revises SDR procedures to revise the value threshold of packaging discrepancies above which receivers will prepare and report such discrepancies. This change supports the DoD Stock Readiness (SR) Program, including Care of Supplies in Storage (COSIS).

c. **Procedures:** Add the following changes identified in *bold italic type*, and delete the text identified in ~~strikeout text~~ in DLAR 4140.55 AR 735-11-2 SECNAVINST 4355.18 AFR 400-54. Para. VI.A.2.a*:

2. Packaging Discrepancies. See enclosure 4 for listing of typical types.

a. Any unsatisfactory condition resulting from improper packaging which causes or renders the item, shipment, or package to be vulnerable to any loss, delay, or damage when the estimated or actual cost of correction exceeds ~~\$50~~ ***\$100***. (EXCEPTION: When the value of the item, shipment, or package is ~~\$2500~~ ***\$5,000*** or over, an SF 364 will be submitted regardless of the estimated or actual cost to correct the packaging discrepancy.) This may include loss or damage to the item, shipment, or package except when a report is otherwise required as prescribed in AR 55-38/NAVSUPINST 4610.33C/AFR 75-18/MCO P4610.19D/DLAR 4500.15.**

* Refer to DLAI 4140.44, *Reporting of Supply Discrepancies*, November 7, 1997 Draft, paragraph E.2.c.

*** Reference replaced by DoD 4500.9-R, Defense Transportation Regulation, Part II, Cargo Movement, under DLMS Approved Change 2.*

4. REASON FOR CHANGE: This change is necessary for maintaining the bottom dollar value threshold for preparing packaging SDRs consistently in line with the varying costs of burdened labor against the Defense Working Capital Fund (formerly the Defense Business Operating Fund) and Direct Appropriation Funds. The \$50 bottom threshold value has been in place for over fifteen years without change, and, as set up as a fixed dollar figure, has outlived its usefulness and credibility. Few packaging discrepancies can now be performed for a cost of less than \$50 dollars, forcing receiving activities to prepare more reports.

5. ADVANTAGES/DISADVANTAGES:

a. Advantages: This change will keep procedures consistent with the cost of doing business. According to published numbers, \$50 in FY80 equals \$88.23 in FY97. Using a 1.0224% inflation figure, the \$88.23 becomes ~~\$1011.73~~ in FY03. ✓

b. Disadvantages: None identified.

6. IMPACT:

a. Requires modification of Service/Agency implementing procedures.

b. Implementation:

(1) Suggested implementation would make this change effective upon formal publication.

(2) The above change is formatted in accordance with the SDR joint publication. Equivalent changes will be incorporated in the DLMS.