



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD
FORT BELVOIR, VIRGINIA 22060-6221

IN REPLY
REFER TO J627

April 04, 2011

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE MEMBERS

SUBJECT: Proposed Addendum to Approved Defense Logistics Management System (DLMS) Change (ADC) 245C, Notification for Distribution Depot Product Quality Deficiency Report (PQDR) Exhibit Receipt - Product Data Reporting and Evaluation Program-Automated Information System (PDREP-AIS) Interface (Supply/SDR)

We are forwarding the attached revised proposed change to DoD 4000.25-M, Defense Logistics Management System (DLMS), for evaluation and submission of a single coordinated Component position. The interface requirements relating to this proposed change are shown to assist in your internal coordination. However, omission of such a requirement does not relieve you of the responsibility to assure full coordination of the proposal within your Component.

Request you review the attached proposed change and provide your comments/concurrence to the DLA Logistics Management Standards not later than 45 days from the date of this memorandum. If non-concurrence is provided, please provide an alternate method to meet the requirement being addressed

Addressees may direct questions to Ms. Ellen Hilert, email: Ellen.Hilert@dla.mil. Others must contact their Component designated Supply Process Review Committee representative.

for
DONALD C. PIPP
Director
DLA Logistics Management Standards

Attachment
Proposed Addendum to ADC 245C

cc:
ODASD(SCI)
DoD PQDR Committee

**Proposed Addendum to ADC 245C, Notification for Distribution Depot
PQDR Exhibit Receipt - PDREP-AIS Interface**

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION: US Navy, NAVSEA Logistics Center Detachment Portsmouth, (207) 438-6479

a. **Technical POC:** NAVSEA Logistics Center Detachment Portsmouth, (207) 438-6479

b. **Functional POC(S):** NAVSUP, (717) 605-1746 and DLA J-33, (703) 767-2630

2. FUNCTIONAL AREA:

a. **Primary/Secondary Functional Area:** Supply and Quality Assurance

b. **Primary/Secondary Functional Process:** Product Quality Deficiency Reporting (PQDR) Exhibit handling process and status reporting.

3. REFERENCES:

a. DLMS Supplement 842 A/W and 842 A/R Transactions available at http://www.dla.mil/j-6/dlms0/elibrary/TransFormats/140_997.asp

b. DLMSO memorandum dated January 9, 2006, subject: DLMS ADC 188, Quality Related Discrepancies Identified During Distribution Depot Receipt and In-Storage Screening (Supply/SDR/SQCR). ADC 188 established multiple quality-related discrepancy codes including Discrepancy Code Q11 for use by the Distribution Depots to notify the source of supply (SoS) electronically of receipt of a customer return of a PQDR exhibit item. This process pre-existed the DoD WebSDR program using the same legacy transaction used for internal DLA SDR exchange. When implemented in the DLMS exchange, it required transition to unique discrepancy codes so as not to conflict with Q-series discrepancy codes authorized for use on Security Assistance SDRs.

c. DLMSO memorandum dated June 8, 2007, subject: DLMS ADC 245, Notification for Distribution Depot Product Quality Deficiency Report Exhibit Receipt. This change was subsequently revised as ADC 245A, dated July 13, 2007. ADC 245/245A defined new routing and processing changes for SDR's prepared as receipt notifications by Distribution Depots to alert Air Force managers of the arrival of Air Force owned PQDR exhibits (Discrepancy Code Q11, Returned PQDR Exhibit Deficiency). The depot was instructed to provide the Air Force-assigned "PQDR Accession Number" from the tagged exhibit to link the exhibit received to the applicable PQDR recorded in the Air Force PQDR system.

d. DLMSO memorandum dated July 3, 2008, subject: DLMS ADC 245B, Notification for Distribution Depot Product Quality Deficiency Report Exhibit Receipt. This change republished ADC 245A with updates to remove the original requirement for identification of the Air Force-assigned "PQDR Accession Number" on the notification of PQDR exhibit receipt (Discrepancy Code Q11) and replace it with the DoD standard data element PQDR "Report Control Number (RCN)."

4. BACKGROUND:

a. Intent of the transaction: The intent of the transaction is to permit the Distribution Depot to use the Distribution Standard System (DSS) Automated Discrepancy Reporting System (ADRS) to provide notification of PQDR exhibit receipt via 842A/W transactions to the Product Data reporting and Evaluation Program-Automated Information System (PDREP-AIS). Data exchange concerning status of PQDR exhibits between systems does not currently exist. The goal is to improve visibility of exhibit status to the PQDR user community that does not have access to DSS exhibit information by displaying additional exhibit data with the PQDR record in the PDREP-AIS. This is to ensure that all DLA processed PQDRs in the PDREP-AIS have the most current exhibit status and point of contact information available.

b. Scenario for which the transaction is used: A PQDR is submitted into the PDREP-AIS either manually or received by the PDREP-AIS from another automated information system. The PQDR is processed, as it currently is, from the originator, to screening point, and eventually to a DLA action point. The DLA action point may request the exhibit be sent from the originator to DLA. When this happens, the PDREP-AIS currently receives an exhibit request transaction from DLA's Enterprise Business System (EBS) that is placed in the PDREP-AIS PQDRs history and exhibit tracking data is updated. The originator sends the exhibit to DLA and is provided the option to report status of the shipment in PDREP-AIS. Material handling of the exhibit is recorded in the DSS. No data concerning the exhibit receipt currently takes place from this point on unless users in EBS report.

c. Procedures, transactions, data elements, processing details in use today: As a part of the normal exhibit handling processes by DLA personnel performing data entry into DSS, 842A/W transactions from DSS should be routed to the PDREP-AIS containing the latest status of the PQDR exhibit. DSS already sends exhibit updates data to Air Force via WebSDR 842A/W transactions (converted to email by WebSDR for transmission to the Joint Discrepancy Reporting System (JDRS as described in Reference 3d). PDREP is requesting the same or similar updates for all DLA PQDR exhibits.

5. PROPOSED CHANGE(S):

a. Requested change in detail: This change expands DoD WebSDR business rules associated with ADC 245 (refer to References 3b and 3c, above). Under these procedures, WebSDR will route action or information copies of DLMS 842A/W SDR transactions containing a Discrepancy Code Q11 (Returned PQDR Exhibit Deficiency) from DSS to the PDREP-AIS to update the related PQDR's exhibit information.

b. Proposed procedures:

(1) Update WebSDR to provide to PDREP-AIS an information copy of exhibit receipt notifications if the owner/action activity is identified as DLA, Army, Navy, or Air Force. If the owner/action activity is Marine Corps, the action copy will be routed to the PDREP SDR module and an information copy is normally suppressed if it is duplicative of the action copy. **Staffing Note: If PDREP requires a second transaction identified as an information copy for the PDREP PQDR exhibit tracking module, this must be established as a requirement.**

(2) Update the DLMS 842A/W, SDR, to reinstate the PQDR Accession Number for use by DSS as shown in the Enclosure. The PQDR Accession Number should be populated when available for Air Force PQDR exhibit returns. This will be in addition to the PQDR RCN when both are available. DSS will implement both data elements using the appropriate data fields.

(3) Review Distribution Depot training to ensure that exhibit receipt notifications are prepared for all Components (citing the PQDR RCN and the PQDR Accession number when both are available).

Staffing Note: *The original implementation plan for this process was to expand the internal DLA use of the receipt notification to the Air Force, with others added only by agreement with DLA.*

(4) Navy, Marine Corps, and Army must ensure that their automated applications and internal training procedures recognize Discrepancy Code Q11.

c. Alternatives:

(1) DSS could provide periodic exhibit data to the PDREP-AIS external to the 842A/W with a database link, web service, or SFTP to PDREP-AIS.

(2) DLA Logistics Management Standards also recommends consideration of using an information copy of the standard DLMS receipt transaction (527R) prepared by the receiving depot with Supply Condition Code Q as mechanism for PDREP exhibit tracking. See 7b. Disadvantages below.

6. REASON FOR CHANGE:

a. A DoD PQDR lean team has identified a lack of exhibit status visibility as a cause of incomplete PQDR investigation and lost material. PQDR processing points are unaware of the locations and statuses of PQDR exhibits.

b. Reference DoD lean team's out brief power point slides (Joint Service, Defense Logistics Agency (DLA) & Defense Contract Management Agency (DCMA), Product Quality Deficiency Report (PQDR) Black Belt Project, dated 10 November 2010) used to out brief the conclusion of the lean event that \$160M of material for Air Force alone was awaiting disposition in DLA warehouses and ~55% of exhibits get stuck in the system slowing down or stopping PQDR investigations completely. One of the recommendations by the DoD lean team is to share exhibit data between systems to improve exhibit tracking and visibility.

c. Compliance with DLAR 4155.24, Section II, Paragraph F.1, which states:

“F. Action/originating/screening/Support Point Exhibit responsibilities. Action, originating, screening, and support points will each:

1. Establish information systems to monitor the status of exhibit disposition instructions for compliance with requirements of Figure 3. All exhibit management systems shall utilize the PQDR originators report control number.”

d. Figure 3 in Enclosure 2 of DLAR 4155.24, page 11 references that the originator ship exhibits to the action or support point when requested and notifies the screening point/action point. The

functionality already exists within the PDREP-AIS to document shipment. The additional exhibit status data received from DSS in conjunction with EBS transactions already received and manual data entry in PDREP-AIS, will significantly enhance the exhibit status of the PQDR record in PDREP.

7. ADVANTAGES AND DISADVANTAGES:

a. Advantages (tangible/intangible)

(1) When exhibit status is accessible by all PQDR processing points (originator, screening, action, and support points) personnel can effectively manage the exhibit process. The perception that material is lost is removed and the material can be forwarded to the correct agency for continued material and PQDR processing. When PQDR exhibits status is known, PQDR investigations can proceed as they are meant to. Material handlers will be able to communicate with the PQDR process via the 842A/W transaction. Once the upgrade is completed testing and training can begin.

(2) Millions of dollars worth of PQDRs go without getting reconsideration for originators or correcting stock system issues concerning the defective material. Stock system issues do not get adequate investigations to prevent recurring issues. Additionally, SDR action points could potentially provide disposition without recognizing the material is tied to an active PQDR (but with proper training could be a non-issue).

b. Disadvantages: Further integrates the use of the 842A/R, SDR, citing Discrepancy Code Q11 for use in exhibit receipt notification rather than the more appropriate use of the 527R, Receipt, citing Supply Condition Code (SCC) Q. SCC Q is defined as:

Q ¹	SUSPENDED (PRODUCT QUALITY DEFICIENCY)	Potential and confirmed product quality deficiency related materiel which is prohibited for use within DoD and prohibited for reutilization screening. Includes product quality deficiency exhibits returned by customers/users as directed by the IMM due to technical deficiencies reported by Product Quality Deficiency Report. Exhibits require technical or engineering analysis to determine cause of failure to perform in accordance with specifications. Includes product quality deficient materiel identified by SF 368, Product Quality Deficiency Report; DD Form 1225, Storage Quality Control Report; SF 364, Supply Discrepancy Report (Security Assistance only); or authorized electronic equivalent.
----------------	--	--

8. ASSUMPTIONS USED OR WILL BE USED IN THE CHANGE OR NEW DEVELOPMENT:

¹ SCC Q may not be fully implemented for all Components. Last reported that Navy implementation was deferred to their Enterprise Resource Planning system modernization effort. **Staffing Note for Navy:** Please provide updated status.

a. In order for this process to work properly, the 842A/W transaction prepared by the depot for PQDR exhibit alert must include the PQDR RCN mapped to the appropriate data field. The PQDR RCN was added to the 842A/W format as shown below per Reference 3c:

QR Quality Report Number

DLMS Note:

1. Use to identify the PQDR report control number for cross reference to the PQDR exhibit when the discrepancy code is Q11.
2. Pending full implementation of ADC 245, the PQDR Report Control Number will be carried as the first line of the SDR remarks text, e.g. PQDR REPORT CONTROL NUMBR: FB1111080111.
3. Implementation pending under ADC 245.

Staffing Note: *Although originally planned for implementation in 2008, DSS has not yet implemented the PQDR RCN data field, and is not identifying the PQDR RCN in the remarks. Instead, for Air Force exhibit receipts, the receiver uses the remarks to cite the PQDR Accession Number e.g., "DISCREPANCY REPORT UNIQUE IDENTIFIER NUMBER: 223119." DLA Distribution is requested to confirm the planned April 2011 implementation date for inclusion of the PQDR RCN and the PQDR Accession Number as distinct data elements in the 842A/W citing Discrepancy Code Q11.*

b. All Services identify additional training requirements for the exhibit reporting process for SDR action points on proper handling of SDRs that are associated with a PDQR exhibit receipt.

9. ADDITIONAL COMMENTS TO CONSIDER: DSS already sends exhibit status 842A/W transactions via WebSDR to other systems.

10. NOTE ANY REGULATIONS OR GUIDANCE: DLAR 4155.24 Product Quality Deficiency Reporting Program

11. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: FY11.

12. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: Not available; refer to paragraph 6.b.

13. IMPACT:

a. **PDREP:** While PDREP is already programmed to receive 842A/W and update associated PQDRs exhibit data, additional programming may be required to further integrate this process into the exhibit tracking module within PDREP-AIS.

b. **WebSDR:** WebSDR routing rules will require update as described above.

c. **DSS ADRS:** Implementation of PQDR RCN within the 842A/W when citing Discrepancy Code Q11 is required. DLA must authorize preparation of exhibit receipt notification for all Components. **Staffing note:** *Use of the 842A/W for exhibit receipt notification may be considered a cost-reimbursable service. Request DLA provide clarification on this aspect.*

d. JDRS: When implemented the SDR will carry the distinct data fields for PQDR RCN and PQDR Accession Number rather than the current text field. Implementers should plan and monitor for the transition.

e. New DLMS Data Elements: None.

f. Changes to DLMS Data Elements: None.

g. DLMS Manual Update: The following changes identified in **bold italics** are recommended.

“C17.3.21. DAAS SDR Processing

C17.3.21.1. Under DLMS, SDRs shall be integrated with standard logistics transaction processing through DAAS. DAAS shall perform the following actions:

C17.3.21.1.1. Pass/route SDR transactions

(intervening text not shown)

C17.3.21.1.1.2. Route the action copy of SDRs reporting distribution depot receipt of PQDR exhibits (Discrepancy Code Q11) to the materiel owner ~~by agreement with DLA~~. For USAF owners this process will use an electronic (email-based) interface with the USAF processing system for product quality **and an information copy provided (transactionally) to Product Data Reporting and Evaluation Program-Automated Information System (PDREP-AIS).** **For all other Components, the action copy will be directed to the owner and an information copy will be provided (transactionally) to PDREP-AIS.”**

Enclosure, DLMS Supplement Revisions

Item #	Location	Revision to 4030 842A/W	Reason
1.	DLMS Introductory Notes	<p><u>Added Proposed Addendum to ADC 245C to DLMS Introductory note 5:</u></p> <p><i>- Proposed Addendum to ADC 245C, Notification for Distribution Depot Product Quality Deficiency Report (PQDR) Exhibit Receipt - Product Data Reporting and Evaluation Program-Automated Information System (PDREP-AIS) Interface</i></p>	To identify DLMS changes included in supplement
2.	2/REF01/0700	<p><u>Add qualifier "GO" and DLMS note:</u></p> <p>GO Exhibit Identifier DLMS Note:</p> <p><i>1. Use to identify the PQDR Accession Number assigned to the PQDR exhibit for USAF in conjunction with discrepancy code Q11. Refer to Proposed Addendum to ADC 245C.</i></p> <p><i>2. For GO: WebSDR field Length = 6</i></p>	Re-instates the PQDR Accession Number as a distinct data field. Required by the USAF to associate the exhibit receipt with the applicable PQDR.
3.	2/REF01/0700	<p><u>Revise DLMS notes for qualifier "QR" as follows:</u></p> <p>QR Quality Report Number DLMS Note:</p> <p><i>1. Use to identify the PQDR Report Control Number (RCN) for cross reference to the PQDR exhibit when the discrepancy code is Q11. Refer to Proposed Addendum to ADC 245C.</i></p> <p>2. Pending full implementation of ADC 245, the PQDR Report Control Number will be carried as the first line of the SDR remarks text, e.g. PQDR REPORT CONTROL NUMBR: FB1111080111.</p> <p>3. Implementation pending under ADC 245.</p> <p>2. For QR: WebSDR field length =15</p>	Removes instructions for text entry during pending implementation. Distribution Standard System implementation scheduled for next release.