



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

IN REPLY
REFER TO J627

February 10, 2011

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Proposed Addendum to Approved Defense Logistics Management System (DLMS) Change (ADC) 317B, Action Activity Replies to Transshipper-Prepared Supply Discrepancy Reports (SDRs) (Supply/SDR)

We are forwarding the attached proposed change to DOD 4000.25-M, Defense Logistics Management System (DLMS) for evaluation and submission of a single coordinated Component position. It is the responsibility of the Supply Process Review Committee primary representative to assure full coordination of the proposal within your Component.

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

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

A handwritten signature in black ink, appearing to read "Donald C. Pipp", written over a circular stamp or seal.

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:
SDR Committees (U.S. & SA)
ODASD(SCI)
USTRANSCOM

Proposed Addendum ADC 317B
Action Activity Replies to Transshipper-Prepared SDRs

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION: DLA Logistics Management Standards Office (formerly DLMSO), Ms. Ellen Hilert, Co-Chair, Supply Process Review Committee and DoD SDR System Administrator, 703-767-0676; DSN 427-0676; or, e-mail: Ellen.Hilert@dla.mil.

2. FUNCTIONAL AREA: Primary: Supply/DoD WebSDR; **Secondary:** Transportation

3. REFERENCES:

a. DLMSO memorandum dated May 8, 2008, subject: Approved DLMS Change (ADC) 282, Consolidation and Containerization Points (CCP)-Originated SDRs including Noncompliant Wood Packaging Material (WPM) Procedures and Shipment Hold Code. This ADC identifies data content and process changes supporting generation of electronic DLMS SDRs by the CCP.

b. DLMSO memorandum dated June 10, 2008, subject: ADC 282A, Consolidation and Containerization Points (CCP)-Originated Supply Discrepancy Reports (SDRs) including Noncompliant Wood Packaging Material (WPM) Procedures with Cost Breakdown and New Procedures for Closing WPM and Passive RFID SDRs. This ADC added additional data fields related to corrective action for transshipment SDRs.

c. DLMSO memorandum dated February 17, 2009, subject: ADC Approved Defense Logistics Management System (DLMS) Change (ADC) 317, Revised Business Rules for Transshipper-Prepared Supply Discrepancy Reports (SDRs) (Supply/SDR) (Staffed as PDC 333)

d. DLMSO memorandum dated September 15, 2009 subject: ADC 317A, Transshipper-Prepared Supply Discrepancy Reports (SDRs) for Documentation and Labeling Discrepancies

e. Defense Logistics Management System (DLMS) Manual, DOD 4000.25-M, Chapter 17, available at: <http://www.dla.mil/j-6/dlms/elib/Manuals/DLMS/default.asp>. The DLMS manual is the authoritative source for discrepancy reporting procedures originally published under DLAI 4140.55, AR 735-11-2 SECNAVINST 4355.18A, AFJMAN 23-215, Reporting of Supply Discrepancies.

f. Defense Transportation Regulation (DTR). 4500.9-R-Part II Cargo Movement, available at: http://www.transcom.mil/j5/pt/dtr_part_ii.cfm.

4. BACKGROUND:

a. DoD SDR procedures require that transshipment activities report packaging and documentation discrepancies on shipments in transit. Electronic communication of SDRs is supported by DLMS transactions.

b. Referenced ADC 317 documented procedures for transshipper-prepared SDRs, in particular, use of DoD WebSDR for web-submission of SDRs by aerial ports using SDR Document Type W. This change authorized two new SDR action codes to distinguish between SDRs requiring

expedited response to resolve frustrated freight problems and those requiring no response, but which may be used by the action activity to correct shipping/packaging errors, recoup money from noncompliant vendors, and identify trends. Routing rules were established to facilitate distribution; where systemic interface is not available, A time standard of 5 days was established for those SDRs requesting expedited response. Type W WebSDR-input capability was implemented in mid-May 2009.

c. Referenced ADC 317A authorized new four-position detail-level codes for documentation series discrepancies common to transshipments. New discrepancy codes were added to the improper marking series to call out discrepancies related to the Military Shipping Label (MSL). The goal (not yet realized) is improved metrics based upon more detailed identification of the discrepancy.

d. Under DLMS (reference 3.e) and the DTR Part II (reference 3.f), Chapter 210, Transportation Discrepancy Report (TDR), preparation of either an SDR or TDR is authorized to report discrepancies related to improper, incomplete, or missing documentation or packaging including marking and labeling attributed to the shipping activity. This provides flexibility for the submitter and helps to ensure that discrepancies will be reported and corrective action taken on a timely basis. As electronic reporting programs mature, the SDR and TDR community will need to explore enhanced capability to aggregate reported discrepancies for metrics and, if desired, physically transfer discrepancies reports to ensure that the appropriate parties/applications are engaged. In the interim, use of the SDR by transshippers under DLMS procedures and using ADC 317A discrepancy codes will better identify the reported discrepancy and allow action activities and USTRANSCOM to monitor and improve procedures related to the shipment of materiel.

5. DETAILED PROCEDURES:

a. Block Inappropriate Replies by Action Activity.

(1) This change further enhances the business process associated with transshipper SDRs (SDR Document Type=W) by clarifying appropriate responses by action activities. DoD Component and DoD WebSDR are asked to establish an internal edit blocking the use of inappropriate disposition/reply codes. DoD WebSDR will alert the user with a message stating: "Reply Code not applicable for use on Transshipper (Type W) SDRs. A more appropriate response must be selected."

(2) Refer to Enclosure 1 for an annotated list of available disposition/reply codes. A strike-through is shown to identify those codes that are not to be used by action activities in responding to transshipper-reported discrepancies. This is a preliminary list and further review is requested by subject matter experts.

(3) Enclosure 1 also reflects minor editorial updates to the text explanations associated with disposition/reply codes.

b. Block DoD WebSDR Transmission of Selected Replies to Transshippers. This change proposes that DoD WebSDR establish an edit that will block transmission of replies to transshipper that cite Disposition/Reply Code 144. Disposition/Reply Code 144 is the preferred disposition/reply code for transshipper SDRs citing action code 3B, "Discrepancy reported for corrective action and trend analysis. No reply required." However, the high volume of these replies

reduces visibility of more important SDR replies and their review is non-productive from the submitter's perspective. Under this change, the Disposition/Reply Code 144 would remain in the WebSDR metrics table as a record of the action activity reply. The text associated with Disposition/Reply Code 144 is revised as follows:

144 Recorded for information, ***trend analysis, and/or process correction where applicable*** only. ~~No action taken.~~

c. Revise the DoD 4000.25-M, DLMS Manual, Volume II, Chapter 17, procedures as shown in Enclosure 2.

6. REASON FOR CHANGE:

a. Action activities often respond to SDRs from transshippers with replies that make it apparent that the SDR was processed as if it were reported by the customer. For example, action activities sometimes respond that credit is recommended or that the materiel was shipped as requisitioned. Establishing an edit on inappropriate disposition/reply codes will help ensure more appropriate responses are provided. This proposal is provided to formally document the inappropriate replies so that a standard approach can be used by all DoD applications that prepare SDR replies.

b. Although replies are not required when the SDR Action Code 3B is used, many applications allow systemic generation of Disposition/Reply Code 144. This is appropriate, however, forwarding a high volume of these replies via email (as used by transshippers) clutters the in-box and obscures emails with more significant responses.

7. ADVANTAGES AND DISADVANTAGES:

a. Advantages:

(1) Facilitates improved processing of SDRs within action activity applications and DoD WebSDR.

(2) Better supports metrics and analysis by ensuring that inappropriate responses to transshipper SDRs are blocked where feasible.

(3) Reduces non-productive expenditure of resources.

b. **Disadvantages:** None identified.

8. IMPACT:

a. DLMS Data.

(1) This change updates text explanations associated with the DLMS data element: Discrepancy Status or Disposition (Reply) Code (X12 Qualifier HD) as shown in Enclosure 1. There are no new data elements or code values associated with this change.

(2) Upon approval, add a general note in the remarks section of the data element dictionary definition stating, "ADC 317B INSTRUCTS COMPONENTS AND WEBSDR TO IMPLEMENT AN EDIT THAT BLOCKS THE USE OF INAPPROPRIATE DISPOSITION/REPLY CODES TO TRANSSHIPPERS (SDR DOCUMENT TYPE W). REPLY CODES NOT TO BE USED ARE IDENTIFIED WITH AN EXPLANATORY NOTE BELOW."

(3) Upon approval, display the following note in the column marked "Explanation" for each code identified in Enclosure 1 as not appropriate for use in responses to transshipper SDRs, "NOTE: REPLY CODE NOT APPLICABLE FOR USE ON TRANSSHIPER (TYPE W) SDR. A MORE APPROPRIATE RESPONSE MUST BE SELECTED (SEE ADC 317B)".

b. Automated Information Systems: DoD WebSDR and Component SDR systems must update code tables and establish an edit for inappropriate disposition/reply codes. DoD WebSDR must establish an edit to block transmission of replies citing Disposition/Reply Code 144.

c. Publications: DLMS manual update required.

Enclosure 1 – Discrepancy Status or Disposition (Reply) Codes Revisions

The list below highlights administrative updates in yellow and shows a double strikethrough for those codes not considered applicable for use with SDR Document Type=W, Transshipment SDR:

- ~~101~~ Credit authorized/recommended.
- ~~102~~ Credit not authorized. See remarks.
- 105 Forward material received to address shown. Must use traceable and most economical means available.
- 106 Forward material received to contractor address shown. Must use traceable and most economical means available.
- 110 Disposal authorized in accordance with local procedures.
- ~~111~~ Disposal authorized, monetary reimbursement from contractor.
- 112 Disposal authorized, contractor will provide replacement.
- 113 Provide disposal documentation to address shown.
- ~~114~~ Provide disposal documentation by date indicated to address shown. Credit will be authorized upon receipt.
- 115 Turn in material received to Defense Reutilization and Marketing Office (DRMO) **DLA Disposition Services Field Office (formerly DRMO)**.
- 116 Turn in hazardous material received to **DLA Disposition Services Field Office (formerly DRMO)**. MIPR or Bill to DoDAAC provided to cover disposal costs.
- ~~117~~ Material will be billed if not returned by date indicated.
- ~~118~~ Debit authorized for material retained.
- ~~119~~ Retain material received at no charge.
- ~~120~~ Retain material with consideration from contractor.
- ~~121~~ Retain material without consideration from contractor.
- ~~122~~ Retain material for future supply decision.
- ~~123~~ Material will be reshipped (estimated date of replacement shipment provided, when known).
- ~~124~~ Material is no longer procurable.
- ~~125~~ Incomplete part/missing component being forwarded.
- ~~126~~ Stock not available or will not be reshipped in response to SDR
- 127 Contractor to reship.
- ~~128~~ Balance of contract material will not be shipped.
- ~~129~~ Reimbursement for repackaging discrepancy cannot be authorized until submitter provides cost for repackaging.
- ~~130~~ Place material in stock as is.
- ~~131~~ Remark/repackage material and place in stock.
- ~~132~~ Inspect and place in depot stock.
- ~~133~~ Upgrade material to Condition Code A, correction made by government with reimbursement from contractor.
- ~~134~~ Upgrade material to Condition Code A, correction made by government without reimbursement from contractor.
- 135 Documentation/technical data is being forwarded.
- ~~136~~ Confirmed canceled requisition shipped.

- 137 Additional comments provided. See remarks.
- ~~138 Shipment shortage based on pieces, weight, and cube.~~
- ~~139 Warehouse denial total shipment.~~
- ~~140 Warehouse denial partial shipment.~~
- ~~141 Duplicate shipment from stock or procurement.~~
- ~~142 Proof of Delivery/Evidence of Shipment not available.~~
- ~~143 SDR canceled by submitter.~~
- 144 Recorded for information, **trend analysis, and/or process correction where applicable** only. No action taken.
- ~~145 No contractor liability found.~~
- ~~146 Material return acknowledged.~~
- 147 Corrected shipment document (DD Form 250) provided.
- 148 Representative will contact you for discussion concerning disposition.
- 149 Material will be picked up in number of days indicated.
- ~~150 Your requisition will be reinstated and placed on backorder.~~
- 151 Replacement/revised disposition/status; prior response is superseded.

~~The 200 series codes provide additional information relevant to Security Assistance SDRs.~~

- ~~201 Incorrect information provided by U.S. Government contract.~~
- ~~202 MAPAD information not current by U.S. Government error.~~
- ~~203 Material erroneously returned to U.S. Government stock.~~
- ~~204 Overage of Repair and Replace material.~~
- ~~205 Shortage of Repair and Replace material.~~
- ~~206 Administrative write-off recommended.~~
- ~~207 No financial adjustment required. Excess Defense Articles (EDA). Overage not billed.~~
- ~~208 Repaired in country by contractor or U.S. Government personnel.~~

~~The 300 series codes indicate Distribution Depot status on SDRs forwarded to the owner/manager for action.~~

- ~~301 SDR forwarded for disposition by USA as indicated.~~
- ~~302 SDR forwarded for disposition by USAF as indicated.~~
- ~~303 SDR forwarded for disposition by USMC as indicated.~~
- ~~304 SDR forwarded for disposition by USCG as indicated.~~
- ~~305 SDR forwarded for disposition by USN as indicated.~~
- ~~306 SDR forwarded for disposition by GSA as indicated.~~
- ~~307 SDR forwarded for disposition by DLA as indicated.~~

~~The 400 series codes indicate the SDR has been closed for the reason provided.~~

- ~~400 SDR closed. Non-compliance with disposition instructions.~~
- ~~401 SDR closed. Non-response to additional information request.~~
- ~~402 SDR closed. Wrong material returned.~~

The 500-series (and some 100-series) codes indicate an interim reply.

- 103 Discrepancy report receipt acknowledgment.
- 104 Additional clarification required from customer **submitter**. See remarks.
- ~~107 Forward material to address shown for inspection/exhibit analysis. Must use traceable and most economical means available.~~
- ~~108 Forward material to contractor address shown for inspection/exhibit analysis. Must use traceable and most economical means available.~~
- ~~501 SDR assigned to Defense Contract Management Agency (DCMA) for investigation.~~
- ~~502 SDR resolution deferred pending receipt of exhibit.~~
- 503 SDR currently under investigation.
- 504 SDR forwarded to new action activity as shown.
- 505 SDR under investigation. SDR has been forwarded to activity identified for additional action.
- 506 Item has been transferred to new item manager. Referred to GIM for disposition.
- ~~507 SDR forwarded to shipping depot for Proof of Delivery.~~
- ~~508 SDR forwarded to shipping depot for Evidence of Shipment.~~
- ~~509 SDR forwarded to local procurement office for action.~~
- 510 SDR forwarded to Item Manager for research and/or disposition instructions.
- ~~511 SDR forwarded to Industrial Operations Command for action.~~
- ~~513 SDR forwarded to II Directorate or Repair and Return Office for research of R&R case.~~
- 514 SDR forwarded to the packaging specialist for research.
- ~~515 Procurement/Defense Contract Management Agency awaiting response from contractor. SDR suspended.~~
- ~~516 Receipt of material returned by customer has not posted to date. Under investigation.~~
- ~~517 Defense Finance and Accounting Service (DFAS) billing information requested.~~
- 518 Your SDR identifies a transportation discrepancy and is being processed as a Transportation Discrepancy Report (TDR).
- ~~519 Your SDR identifies a quality deficiency and is being processed as a Product Quality Deficiency Report (PQDR).~~

~~The 600-series codes indicate an ICP reply to the Distribution Depot.~~

- ~~601 Change supply condition code and submit as new complaint (original complaint cannot be modified to show new supply condition code).~~
- ~~602 Item(s) unsuitable; destroy.~~
- ~~603 Remark and return to stock.~~
- ~~604 Repackage and return to stock.~~
- ~~605 Reidentify and return to stock.~~
- ~~606 Safety hazard; destroy.~~
- ~~607 Safety hazard; dispose.~~

The 700-series codes indicate SDR rejection:

- 701 SDR rejected. See remarks.
- ~~702 SDR rejected. Material shipped as requisitioned.~~
- ~~703 SDR rejected. Overage/shortage is within contract variation clause.~~

- ~~704 SDR rejected. Evidence of shipment/proof of delivery forwarded.~~
- ~~705 SDR rejected. Records indicate the inspection or test date or this shelf life item has been extended to date indicated.~~
- ~~706 SDR rejected. Shelf life not applicable for this item.~~
- ~~707 SDR rejected. Acceptable substitute issued for material requisitioned.~~
- ~~708 SDR rejected. Material shipped prior to cancellation request.~~
- ~~709 SDR rejected. Discrepant quantity shipped after SDR submission.~~
- ~~710 SDR rejected. Discrepant quantity on backorder.~~
- ~~711 SDR rejected. Material shipped via insured/certified/registered mail. Request you contact local postal authority to verify delivery of material.~~
- ~~712 SDR rejected. Submit offer of material under material returns program.~~
- ~~713 SDR rejected. Discrepancy does not meet required minimum dollar value.~~
- ~~714 SDR rejected. Billing adjustments may not be requested on a SDR (except SA). Contact local finance office.~~
- ~~715 SDR rejected. Discrepancy not reported within required timeframe.~~
- 716 SDR recorded for information and possible corrective action.
- 717 SDR identifies a carrier discrepancy. Resubmit as a Transportation Discrepancy Report (TDR).¹
- ~~718 SDR identifies a quality deficiency. Resubmit as a PQDR.[‡]~~
- 719 SDR rejected. Duplicate of previously submitted SDR.

¹ Use of this code is discouraged. Every effort should be made to process the discrepancy report and resolve the situation without requiring the initiator to resubmit. See preferred codes 518 and 519.

~~The 800-series codes provide additional rejection notices relevant to Security Assistance SDRs:~~

- ~~800 SDR rejected. No U.S. Government liability.~~
- ~~801 SDR rejected. No billing discrepancy exists.~~
- ~~802 SDR rejected. Bill reflects pre-positioning costs/non-recurring costs.~~
- ~~803 SDR rejected. Bill reflects contract termination charge.~~
- ~~804 SDR rejected. Item proven serviceable when shipped (repair & return, exhibits).~~
- ~~805 SDR rejected. Freight forwarder tracking system indicates material received. Customer should challenge freight forwarder.~~
- ~~806 SDR rejected. Repair/adjustment procedures provided by source.~~
- ~~807 SDR rejected. Material shipped to address specified on LOA in lieu of country.~~
- ~~808 SDR rejected. SDR does not meet latent defect criteria and is, therefore, beyond the allotted timeframe for submission.~~
- ~~809 SDR returned without action. Credit cannot be granted since debit billing has not processed. (ILCO use only.)~~
- ~~810 Freight forwarder notification not submitted for total nonreceipt.~~

The 900-series codes are intended for system/application use in processing transactions. When SDRs are processed manually, these codes may be user assigned as appropriate:

- 901 Transaction rejected. SDR submitted to wrong source of supply. Resubmit to the correct action activity.

- ~~902 Transaction rejected. Invalid action code for type of discrepancy submitted.~~
- ~~904 Transaction rejected. Open suffix must be closed before SDR can be reopened.~~
- ~~906 Transaction rejected. Record already closed.~~
- ~~907 Transaction rejected. Record closed, canceled, or a final reply has been provided.~~
- ~~908 Transaction rejected. Record is currently open and cannot be reopened for reconsideration until closed.~~
- ~~909 Transaction rejected. SDR must be reopened for reconsideration before it can be eontested.~~
- ~~910 Transaction rejected. Missing or invalid document number.~~
- ~~911 Transaction rejected. Missing or invalid case designator.~~
- ~~912 Transaction rejected. Missing or invalid SDR number.~~
- 915 Transaction rejected. Missing or invalid type of discrepancy code.
- 916 Transaction rejected. Missing or invalid action desired code.
- 917 Transaction rejected. Missing or invalid discrepant quantity.
- 918 Transaction rejected. Missing or invalid quantity received.
- 920 Transaction rejected. Missing or invalid point of contact name.
- 921 Transaction rejected. Missing or invalid point of contact phone number/email.
- 923 Transaction rejected. Missing or invalid transaction date.
- 924 Transaction rejected. Narrative missing.
- 926 Transaction rejected. No record found.
- ~~927 Transaction rejected. Missing or invalid disposition/reply code~~
- 928 Transaction rejected. Missing or invalid condition code.
- 929 Transaction rejected. Missing or invalid DODAAC, MAPAC, or Routing Identifier
- ~~930 Transaction rejected. Missing information associated with disposition/reply~~
- ~~931 Transaction rejected. Missing or invalid material identification.~~
- ~~932 Transaction rejected. Missing or invalid wrong item information.~~
- ~~933 Transaction rejected. SDR follow-up submitted before action activity response time~~
~~has elapsed.~~
- 934 Transaction rejected. Forwarding action not authorized. Submit new SDR
- ~~935 Transaction rejected. Forwarding action cannot be processed due to incomplete SDR~~
~~history. Contact originator to resubmit with updated action activity.~~
- ~~936 Transaction rejected. SDR processing suspended. Request DOD WebSDR provide an~~
~~information copy of the original report.~~
- ~~937 Transaction rejected. DOD WebSDR unable to provide requested SDR information copy.~~

Enclosure 2 – DLMS Manual, Chapter 17 Revisions

Changes are identified in *bold italics*.

C17.3.11.1.3. Replies. Responsible activities shall reply to SDRs by submission of a DS 842A/R to DAAS/WebSDR or direct WebSDR input. Pending implementation of DLMS, other previously authorized SDR response formats may be used. SDR replies shall indicate the appropriate disposition, e.g., acknowledgment of the report, disposition of the materiel, validation of the report with authorization of financial adjustment, and/or instructions for repackaging, repair or other types of corrective action. SDR replies must contain the appropriate discrepancy code consistent with all information provided by the customer. This may require updating of the discrepancy codes used by the customer to assign the appropriate discrepancy code for the scenario described in the SDR remarks. The action activity may identify the disposition/status (reply). Applicable codes are published in the DLMS Logistics Qualifier list. ***Action activities shall ensure that inappropriate disposition/status (reply) codes are blocked from use when responding to transshipper SDRs (Document Type=W)***. Shipment information applicable to direct vendor deliveries, new procurement, etc., must be completed by the action activity where incomplete or inaccurate on the original report. This includes identification of the shipping activity or vendor (by CAGE), contract number, and identifying shipment numbers. DLMS compliant applications must also ensure that direct vendor delivery shipments are identified by [Document Type Code 6](#) (Discrepancy Report Document Type Code) on the SDR reply, regardless of what the customer originally designated. Historical replies (transactions citing [Transaction Set Purpose Code 49](#)) shall be used to fulfill these requirements where the submitter indicated that an SDR reply was not required.

C17.3.21. DAAS SDR Processing

(insert new subparagraphs)

DoD WebSDR shall restrict the use of inappropriate discrepancy status/disposition reply codes in responses to transshipper-prepared SDRs.

DAAS shall block transmission of SDR replies to transshipper-prepared SDRs citing Discrepancy Status/Disposition Reply Code 144.