IN REPLY
REFER TO

January 22, 2013

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 1044,
Enhanced Interim Supply Discrepancy Report (SDR) Reply Capability, Status
Update, and Completion Notification (Supply/SDR)

The attached change to Defense Logistics Manual (DLM) 4000.25, Defense Logistics
Management System (DLMS) is approved for phased and staggered implementation. This
change requires joint implementation of status update and completion notice functionality
between trading partners. Target implementation for DOD WebSDR, DLA Enterprise Business
System, and the DLA Distribution Standard System is late 2013 (dependent upon prioritization/
ranking and subject to change). New SDR reply code values authorized by this change will be
published February 1, 2013 (however, use of some code values will be dependent upon
implementation of the applicable business process).

Addressees may direct questions to Ellen Hilert, DOD SDR System Administrator,
703-767-0676, DSN 427-0676, e-mail: ellen.hilert@dla.mil. Others must contact their
Component designated Supply PRC representative or SDR Subcommittee representative.

DONALD C. PIPP
Director
DLA Logistics Management
Standards Office

Attachment
As stated

cc:
ODASD(SCI)
SDR Subcommittee (U.S. and Security Assistance)

Attachment to ADC 1044
Enhanced Interim Supply Discrepancy Report (SDR) Reply Capability, Status Update, and Completion Notification

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

    a. <u>Technical POC</u>: DLA Logistics Management Standards Office, Ellen Hilert, DOD SDR System Administrator, 703-767-0676, DSN 427-0676, ellen.hilert@dla.mil

    b. <u>Functional POC</u>: Defense Logistics Agency, DLA Land and Maritime-BAOA, DSN 850-4631

2. FUNCTIONAL AREA:

    a. <u>Primary/Secondary Functional Area</u>: SDR Processing/Interim Reply Capability (SAP and DSS)

    b. <u>Primary/Secondary Functional Process</u>: Business rules for enhanced interim reply capability on SDRs between the ICP and the Distribution Depots.

3. REFERENCES: DLM 4000.25, DLMS, Volume 2, Chapter 17, available at www.dla.mil/j-6/dlmso/elibrary/manuals/dlms/v2.asp (Refer to C17.3.11.1.2.)

4. APPROVED CHANGE:

    a. Overview: The purpose of this change is to enhance communication of SDR information between the Inventory Control Point (ICP) and the storage activity. This change includes several administrative updates to the DLMS guidance and:

    (1) clarifies required distribution of SDRs between the ICP and the storage activity for each phase of the interim reply process,

    (2) establishes specific business rules for the use of completion notification (Transaction Set Purpose Code CN) (currently an unimplemented DLMS enhancement),

    (3) requests DOD WebSDR add new discrepancy status or disposition (reply) code values (henceforth referred to simply as "reply code") to support enhancement of the interim reply process,

    (4) provides specific timeframes used for various scenarios applicable to the interim reply, and

    (5) establishes specific business rules for use of the status update SDR format (Transaction Set Purpose Code SU) (currently an unimplemented DLMS enhancement).

    b. Background: The original functional description for DOD WebSDR incorporated functionality that could not be supported for initial implementation. As a result, the DLMS

transaction format for the SDR includes code values designating business processes that have never been used. One of these allows for two way communication between the storage activity and the ICP after the initial submission of an SDR by the storage activity. The plan was for the storage activity to provide a status update directly to the ICP. The status update was intended to provide clarification of the discrepancy and to send a recommendation to the ICP based upon depot research (where the SDR was routed to the ICP as the action activity, e.g. under Army SDR routing rules). Another capability included in the format was coding to support transmission of a completion notice. Over the years, there have been various interpretations of the functional process associated with a completion notice, so a DLMS change is needed to coordinate the business rules among the Service/Agency SDR systems.

c. **Scenario for which the change is used:**

(1) After initial processing by the ICP or the distribution depot, the SDR may need to be returned for further clarification/research before final disposition can be given. Currently, there is no systemic way to pass the SDR without the SDR being closed by the DLA ICP using the Enterprise Business System (EBS) or the Distribution Depot using the Distribution Standard System (DSS). Also, DSS is not programmed to send a response for all actions depot personnel take in DSS. This situation results in SDR closure issues and creates an incompatibility in the status of DSS and EBS SDRs.

(2) Under current DLMS procedures, there are discrepancy status or disposition (reply) codes that support an interim reply process. However, source systems (EBS and DSS) have not programmed to support the functionality.

(3) The procedural and system changes described in this change will be applicable to all ICPs communicating with DSS and will be authorized for use by non-DSS storage activities.

d. **Revisions to DLM 4000.25 DLMS Manual, Volume 2:**

(1) Revise Chapter 17, Supply Discrepancy Reporting, as shown in Enclosure 1.

(2) Revise Appendix 3, Supply Discrepancy Report Relevant Data Elements, as shown in Enclosure 2.

(3) Revise DLMS Supplements for SDR transactions as shown in Enclosure 3.

e. **Transaction Flow:**

(1) **Status Update.** The status update/interim response identified by Transaction Set Purpose Code SU in the SDR reply transaction (DLMS 842A/R) goes to the identified transaction recipient. It is not copied to other activities unless they are specifically identified in the status update transaction as a copy recipient.

(2) **Completion Notification.** The completion notification response identified by Transaction Set Purpose Code CN in the SDR reply transaction (DLMS 842A/R) goes to the identified transaction recipient. Additionally, DOD WebSDR will provide copies of this

transaction to any additional parties identified in SDR history as being a distribution copy recipient.

(3) **Follow-up.** The follow-up is identified by Transaction Set Purpose Code 45 in the Standard SDR, Follow-up, Correction, Cancellation, & Reconsideration Request (842A/W). It is distributed by DOD WebSDR to all parties identified as being currently associated with the SDR.

f. Approved change in detail:

(1) **Interim Response Followed by a Status Update.** An interim response is identified as an SDR reply transaction (Transaction Set Purpose Code 11) containing a reply code that indicates that the SDR is open and under investigation, requires additional information, requires additional coordination with other parties, or meets some other criteria for an interim response. Specific SDR reply codes are designated as interim replies in DLM 4000.25, Volume 2, Appendix 3 (see Enclosure 2). An interim reply is intended to be recognized by the receiving SDR system as an interim response so that the SDR record does not close (as it might with a final reply). When the ICP provides an interim response to a storage activity, the storage activity may respond to the ICP reply transactionally using a status update, identified by Transaction Set Purpose Code SU in an SDR reply transaction. The status update will be provided in the following specific situations and will be available for additional use as needed. **Staffing Note:** The key to understanding the use of the status update reply is recognizing that the submitting activity cannot reply to its own SDR. Therefore, the submitting activity cannot use the same type of reply transaction as the action activity (identified by Transaction Set Purpose Code 11 in the SDR reply transaction).

(a) For Counterfeit Materiel/Unauthorized Product Substitution (CM/UPS) a new Reply Code 520 (SDR materiel undergoing test/evaluation) will be transmitted to notify the storage activity that materiel may be suspended for an extended period of time. Upon receiving the Reply Code 520, the storage activity will limit systemic follow-up requests to once every 12 months. There will be no limit on the follow-ups allowed. Once the investigation is complete, final disposition will be sent in accordance with current business processes.

(b) For suspended materiel resulting in processing of a Product Quality Deficiency Report (PQDR), a new Reply Code 521 (SDR resolution pending PQDR review) will be transmitted to notify the storage activity that materiel may be suspended for an extended period of time. Upon receiving the Reply Code 521, the storage activity will limit system follow-up time to 120 days after the Reply Code 521 is received, and then subsequent follow-ups will be sent every 60 days. (Not to exceed 3 follow-ups per SDR to include any previous follow-ups received prior to the Reply Code 521 being received.) If there is no resolution after three follow-ups, the action activity will be contacted manually.

(c) For interim replies using existing Reply Code 104 (Additional clarification required), the SDR submitter is encouraged to respond immediately, but no later than 31 day from issuance of the request. In response to the request for additional information, a new Reply Code 321 (documentation/ technical data/other information is being forwarded) will be provided for use with the reply function at the storage activity. In response to the request, the SDR submitter must use a status update (Transaction Set Purpose Set Code SU) with Reply Code 321

or provide a response via off-line communication (a transaction reply from the submitter using Transaction Set Purpose Set Code 11 cannot be used in response to the action activity reply). A maximum number of three Reply Code 104 transmissions and three Reply Code 321 transmissions can be used per SDR (off-line coordination is required if the situation has not been clarified after three back-and-forth automated communications). Receipt of a fourth Reply Code 104 or 321 will result in systemic rejection. DOD WebSDR will reject with Reply Code 701 and remarks text: "SDR exceeds allowable transactional requests for additional clarification/response using Reply Codes 104 and/or 321. Contact the appropriate POC for more information."

Staffing Note: Most of the scenarios addressed in this DLMS change are applicable to storage activities; however, Reply Code 104 is also used by action activities in response to customer SDRs. SDR applications supporting customer SDRs are authorized to implement status updates to support use of the new Reply Code 321 or other submitter-prepared responses to the action activity.

        (d)   Materiel needs to be in Supply Condition Code (SCC) L for a directed return of the materiel to the vendor to process within the automated system. Currently, the request for reclassification of the materiel requires a manual process. The ICP has to email the storage activity requesting reclassification of materiel from SCC K to SCC L (which will then be accomplished by the storage activity using DLMS 947I Inventory Adjustment (Document Identifier Code (DIC) DAC). A new Reply Code 608 (Reclassify materiel as instructed) will be established to request reclassification of materiel through the SDR reply. The storage activity will have 30 days to prepare the inventory adjustment to reclassify the materiel to SCC L. Upon completion of the reclassification, the storage activity will provide an SDR status update indicating the materiel is now in SCC L. The status update (Transaction Set Purpose Code SU) will include new Reply Code 320 (Reclassification of materiel complete). A maximum number of three Reply Code 608 transmissions and three Reply Code 320 transmissions can be used per SDR. Receipt of a fourth Reply Code 608 or 320 will result in systemic rejection. DOD WebSDR will reject with Reply Code 701 and remarks text: "SDR exceeds allowable transactional requests for reclassification of materiel/response using Reply Codes 608 and 320. Contact the appropriate POC for more information."

        (e)   When the materiel is directed for shipment from a DLA Distribution Depot by the Army ICP, the SDR is routed to the Army ICP for action. The Army may request research by the depot. The depot will use the status update functionality to provide research findings and recommendations to the Army ICP. When used in this capacity, there is no restriction on the selection of reply codes by the depot other than choosing code values applicable to the situation.

        (2)   **Completion Notification.** A completion notification, identified by Transaction Set Purpose Code CN in the SDR reply, will be implemented to allow the storage activity to communicate with the ICP that final action has been taken on an SDR reply given by the ICP. This is equivalent to indicating that the storage activity has closed the SDR. The receiving SDR system may close the SDR as well or keep it open for additional actions. It will be provided in the following specific situations and will be available for additional use as needed.

(a) The storage activity will use a completion notice to send a new Reply Code 410 (SDR closed. Disposition action complete) notifying the ICP that all action is complete.

(b) The storage activity will use a completion notice to send a new Reply Code 412 (SDR closed. Materiel disposition could not be completed due to zero balance at storage location). The storage activity must use the remarks text to inform the ICP what happened to the materiel. The ICP may close the SDR due to the materiel no longer being available. If the SDR is a Document Type 9, the ICP must take further action to locate the new procurement materiel.

(c) Currently, the storage activity may close an SDR without receiving disposition as a result of determining that there is no materiel on the accountable record. DSS runs a daily quantity-by-location (QBL) program. If the QBL balance shows zero balance, DSS changes the internal SDR status to closed (H) and auto closes the SDR. The storage activity will prepare a completion notification to send a new Reply Code 411 (SDR closed due to zero balance on record). Remarks text will be provided to clarify as appropriate. The ICP will use the completion notification to identify the SDR was closed in the storage activity due to missing materiel and close the SDR on the ICP side. If SDR is a Document Type 9, then the ICP must take further action to locate new procurement materiel.

(3) Follow-ups: When the action activity does not respond to an SDR within the prescribed timeframe, the submitting activity will use the SDR follow-up (identified by Transaction Set Purpose Code 45) to attempt to obtain resolution. Currently, there are no systemic restrictions on the number of follow-ups that may be submitted. However, the submitter is directed not to submit multiple SDR follow-ups. Off line communication with the action activity is recommended because electronic processing errors may have impeded timely response to the SDR and such problems could also be encountered by the follow-up. However, if so desired the submitting system may choose to send multiple follow-ups. If there is no functionally significant reply from the action activity (this excludes Reply Code 104 (Discrepancy report receipt acknowledgment) or 504 (SDR forwarded to new action activity)), transmission of a fourth follow-up will result in systemic rejection. DOD WebSDR will reject with Reply Code 701 and remarks text: "SDR exceeds allowable follow-ups. Contact the action activity for more information." Attempted preparation of a fourth follow-up via DOD WebSDR will be blocked using the same narrative to the user.

g. Alternatives: None identified.

h. Proposed Change Comment Resolution: See Enclosure 4.

5. REASON FOR CHANGE: Establishes specific business rules for enhanced procedures necessary for efficient processing of SDRs between trading partners.

6. ADVANTAGES/DISADVANTAGES:

a. Advantages: Adding new reply codes, utilizing existing Transaction Set Purpose Codes SU and CN, and using systemic follow up procedures will allow EBS and DSS to more effectively process SDRs and minimize manual intervention. This will result in materiel being

suspended for shorter periods of time and SDR status incompatibilities in systems will be reduced.

     b. **Disadvantages:** None identified.

7. **ASSUMPTIONS USED OR WILL BE USED IN THE CHANGE OR NEW DEVELOPMENT:** Use of the status update and completion notice will not be limited to the specific situations described in this change proposal. Systems implementing these two capabilities should allow for expanded use based upon the framework established in this change.

8. **ADDITIONAL COMMENTS TO CONSIDER:** System change requests have been submitted for EBS and DSS. These will need to be updated to reflect approved changes as appropriate.

9. **ADDITIONAL FUNCTIONAL REQUIREMENTS:** The use of the status update as identified for the Army ICP requires the SDR transaction to be recorded in DSS. The Army will need to use the transfer function in the SDR transaction to direct the SDR to a secondary action activity. Implementation of the transfer function is being coordinated for use in DOD WebSDR and Service/Agency SDR systems under PDC 1005, Enhanced SDR Forwarding Capability and Packaging Discrepancy SDR Distribution to DCMA.

10. **ESTIMATED TIME LINE/IMPLEMENTATION TARGET:**

     a. This change is approved for phased and staggered implementation. This change requires joint implementation of status update and completion notice functionality between trading partners. Target implementation for DOD WebSDR, DLA Enterprise Business System, and the DLA Distribution Standard System is late 2013 (dependent upon prioritization/ranking and subject to change).

     b. New SDR reply code values authorized by this change will be published February 1, 2013 (however, use of some code values will be dependent upon implementation of the applicable business process).

     c. WebSDR auto-rejection where allowable number of iterations for specific combination of reply codes is a low priority and may be deferred pending implementation of high priority changes associated with this or other ADCs.

11. **ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE:** Not available.

12. **IMPACT:**

    a. New DLMS Data Elements: There are no new data elements established by this change.

    b. Changes to DLMS Data Elements: New code values are established and revised text for the data element Discrepancy Status Or Disposition (Reply) Codes are shown in Enclosure 2.

(Add new Reply Codes 320, 321, 410, 411, 412, 520, 521, 608, and update to text for Reply Code 104.)

   c. Automated Information Systems (AIS): Requires changes to SDR applications to accept and process new SDR reply codes and implement the associated business processes, especially as facilitated by implantation of Transaction Set Purpose Codes for status update and completion notice. This includes DSS, EBS, Product Data Reporting and Evaluation Program (PDREP) AIS and the Army Web-Based Tool (WBT). There is also impact on the Army Logistics Modernization Program SDR module now under design/development.

   d. DLA Transaction Services: Requires update to DOD WebSDR to add new reply codes and to program systemic rejections when the number of allowable transactions has been exceeded as described above. Reply codes that must be used for status update function will not be made available for WebSDR use until that capability has been added. New codes must be added to drop lists for management reports.

   e. Non-DLA Logistics Management Standards Publications: Service/Agency implementing guidance may require update for consistency with DOD procedures.

Enclosure 1, DLMS Manual, Volume 2, Chapter 17 Revisions

C17.3.11. Follow-Up on Original SDR

C17.3.11.1. When the action activity does not respond to an SDR within the prescribed timeframe specified in this chapter, the submitting activity *will* provide an SDR follow-up. *In the absence of guidance directing a shorter timeframe, routine follow-ups may be submitted as soon as 51 days from the original submission.* Prior to submitting a follow-up, the reporting activity should first attempt to ascertain the status of the SDR using the DoD WebSDR query function. If there is no record of an action activity reply, a follow-up should be submitted. Follow-ups must be directed to the last identified action activity when the original SDR was forwarded by the original recipient. Cite the SDR report number of the original report. For transactional exchange, include the WebSDR-assigned control number when known. Follow-up transactions should include all data that was in the previous SDR submission. POC information for the follow-up and the follow-up date are required. A narrative entry is required to provide clarification for the follow-up. *DoD WebSDR will forward the follow-up to the new action activity when SDR history indicates a new action activity has been identified (based upon prior Reply Code 504).*

C17.3.11.2. If no response is received to the follow-up within 30 calendar days, the originator ~~shall~~ *should consider* contact*ing* DLA Distribution for distribution depot shipments (direct email to: DDC.ISDR@dla.mil) or the SoS for all other shipments to request assistance. Off line communication with the action activity is recommended because electronic processing errors may have impeded timely response to the SDR and later follow-up *could encounter similar issues*. ~~DLA Distribution or SoS~~ *Upon receipt of the follow-up, the action activity* will ensure that a response with disposition or interim status is provided within 30 calendar days.

C17.3.11.3. At 31 day intervals, the submitting activity may prepare two additional follow-ups. If the action activity has not provided a functionally significant reply after three follow-ups, DoD WebSDR will block transmission of a fourth follow-up and request that the submitter contact the action activity directly.

C17.3.11.4. In response to interim Reply Code 520 indicating suspected Counterfeit Materiel/Unauthorized Product Substitution (CM/UPS) materiel may be suspended for an extended period, the storage activity will limit systemic follow-up requests to once every 12 months. There will be no limit on the follow-ups allowed.

C17.3.11.5. In response to interim Reply Code 521 indicating suspected product quality deficient materiel may be suspended for an extended period of time, the storage activity will not follow-up for response until 120 days have elapsed, and then subsequent follow-ups should be sent every 60 days. No more than three response/follow-up transactions per SDR will be allowed.

(Intervening text not shown)

C17.3.12.1.2. <u>Replies</u>. Responsible activities *will* reply to SDRs by submission of a DLMS 842A/R to WebSDR or via direct WebSDR input. Pending implementation of DLMS, other previously authorized SDR response formats may be used. SDR replies *must* 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 *will* identify the disposition/status using the appropriate Reply Code (Appendix 3). Action activities *must* ensure that inappropriate reply codes are blocked from use when responding to transshipper SDRs (Document Type Code W)[1]. 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 on the SDR reply, regardless of what the customer originally designated. Historical replies (transactions citing Transaction Set Purpose Code 49) *will* be used to fulfill these requirements where the submitter indicated that an SDR reply was not required.

C17.3.12.1.2.1. <u>Interim Replies</u>. Interim replies may be used to inform the submitter that an SDR has been forwarded to another organization for investigation or resolution. Responsible activities must provide an interim reply where a final reply cannot be provided within the established timeframes. Failure to meet the established timeframes must be caused by reasons outside the control of the ICP/IMM or GSA. Such interim replies *will* indicate when additional status will be provided. Identify the interim disposition/status using the appropriate Reply Code (Appendix 3). If no coding exists to specifically identify the reasons for the delay, select Code 137 and provide a clear-text explanation.

C17.3.12.1.2.1.1. For suspected CM/UPS, the ICP/IMM may use interim Reply Code 520 (SDR materiel undergoing test/evaluation) to indicate that materiel may be suspended for an extended period of time. Upon receiving the Reply Code 520, the storage activity will limit systemic follow-up requests to once every 6 months. There will be no limit on the follow-ups allowed. Once the investigation is complete, final disposition will be provided by the ICP/IMM to the storage activity.

C17.3.12.1.2.1.2. For suspended materiel resulting in processing of a PQDR, the ICP may use interim Reply Code 521 (SDR resolution pending PQDR review) to indicate that materiel may be suspended for an extended period of time. Upon receiving the Reply Code 521, the storage activity will not follow-up for response until 120 days have

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[1] Refer to <u>Approved DLMS Change 317B</u>, Action Activity Replies to Transshipper-Prepared SDRs

elapsed, and then subsequent follow-ups should be sent every 60 days. No more than three response/follow-up transactions per SDR will be allowed. A fourth transmission of Reply Code 521 or associated follow-up will result in systemic rejection and will require manual attention.

C17.3.12.1.2.2. Status Updates.[2] Status updates (Transaction Set Purpose Set Code SU) are a unique form of reply prepared by the activity that submitted the SDR in response to the action activity. This type of transaction goes directly to the identified recipient without being copied to other parties, except to specifically identified copy recipients identified in the transaction. It is used by the storage activity to provide a status update to the ICP/IMM, often in response to an interim reply requesting clarification of the discrepancy. Using the status update format the SDR may engage in a two-way communication with the action activity. The status update may also be used to send a research findings/ recommendations to the ICP/IMM (Army directed shipments only).

C17.3.12.1.2.2.1. When the SDR is routed to the ICP as the action activity rather than the shipping depot under Army SDR routing rules, it may subsequently be transferred (Transaction Set Purpose Set Code 47) to the shipping activity as a secondary action activity. The shipping activity will use the status update to provide results of storage activity research and a recommended disposition. The status update is not copied to the SDR submitting activity by DoD WebSDR, as would be applicable when using a standard reply format (Transaction Set Purpose Set Code 11).

C17.3.12.1.2.2.2. For interim replies requesting additional clarification (Reply Code 104), the submitting activity is encouraged to respond immediately, but no later than 31 day 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 Set 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 SDR will be allowed. A fourth transmission of Reply Code 104 or 321 will result in systemic rejection and will require manual attention.

C17.3.12.1.2.2.3. When the ICP/IMM has directed reclassification of materiel by Reply Code 608 the storage activity will perform the requested action and provide status update with Reply Code 320 (Reclassification of materiel complete). No more than three request/response per SDR will be allowed. A fourth transmission of Reply Code 608 or 320 will result in systemic rejection and will require manual attention.

C17.3.12.1.2. *3*. Denials. SDRs not meeting the reporting criteria or timeframes specified in this chapter or not including sufficient justification, *will* be considered for information only, or denied, as appropriate. DoD ICP/IMM action activities are encouraged to accept late submissions lacking justification for trend analysis/corrective action; with

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[2] Refer to ADC 1044 Enhanced Interim SDR Reply Capability, Status Update, and Completion Notification. Delayed implementation authorized beginning late 2013.

associated financial credit provided at the discretion of the action activity. The responsible activity *will* use the SDR response and cite the appropriate disposition/status (reply) code.

C17.3.12.1.2.4. <u>Completion Notification</u>.[3] A completion notification, identified by Transaction Set Purpose Code CN in the SDR reply, will be used by the storage activity to communicate with the ICP/IMM that final action has been taken on an SDR requiring a materiel disposition action. This is equivalent to indicating that the storage activity has closed the SDR. The receiving SDR system may close the SDR as well or keep it open for additional actions. It will be provided in the following specific situations and will be available for additional use as needed.

C17.3.12.1.2.4.1. The storage activity will use a completion notification to inform the ICP/IMM that all action is complete using Reply Code 410.

C17.3.12.1.2.4.2. The storage activity will prepare a completion notification to notify the ICP/IMM that the SDR has been closed due to zero balance on record. The ICP may close the SDR due to the materiel no longer being available.   If SDR is a Document Type 9, then the ICP must take further action to locate new procurement materiel.

C17.3.12.1.2.4.3. The storage activity will use a completion notification to inform the ICP/IMM that materiel disposition could not be completed due to zero balance at storage location using Reply Code 412 and clarifying remarks. The ICP may close the SDR due to the materiel no longer being available. If the SDR is a Document Type 9, the ICP must take further action to locate the new procurement materiel.

(Intervening text not shown)

C17.3.20. <u>Defense Automatic Addressing System (DAAS) SDR Processing</u>

C17.3.20.1. Under DLMS, SDRs *are* integrated with standard logistics transaction processing through DAAS. DLMS transaction formats are available in ASC X12 EDI or EDI-based XML. Guidance for transaction content is provided in DLMS Supplements available at <u>www.dla.mil/j-6/dlmso/elibrary/transformats/140_997.asp</u>. DoD WebSDR *will* perform the following actions:

C17.3.20.1.1. Pass/route SDR transactions.

(Intervening text not shown)

C17.3.20.1.1.5. DoD WebSDR will route submitter transactions for corrections and follow-up to the new action activity when SDR history indicates a new action activity has been identified (based upon prior Reply Code 504).

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[3] Ibid.

C17.3.20.1.2. Edit SDR transactions in accordance with business rules specified below. Additionally, DoD WebSDR *will* edit SDRs to improve data consistency and the appropriateness of data content as follows:

(Intervening text not shown)

C17.3.20.1.2.4. SDRs directed to obsolete DLA supply center RICs will be redirected to DLA Enterprise Business System.

(Intervening text not shown)

C17.3.20.1.10. *Post for history, but not forward SDRs prepared by CCPs for WPM discrepancies when addressed to DLA (RIC SMS). SDR reports will be used to monitor performance*. Post for history, but not forward SDR replies to the SDR submitter (i.e., distribution depots or CCP) identifying passive RFID or WPM discrepancies based upon addressing to the DAAS RIC (SGA). This will suppress unnecessary transmission of SDR transactions where the SDR submitter has closed the SDR with no expectation/requirement for a reply under these conditions.

(Intervening text not shown)

C17.3.20.2. WebSDR *will* edit SDR transactions prior to passing/routing to ensure minimal standards of acceptability. Reject to the generating activity SDR and follow-on transactions that do not meet the following conditions:

(Intervening text not shown)

C17.3.20.2.17. The number of submitter follow-up transactions may not exceed the allowable maximum based upon the action activity response or lack of response, as applicable.[4]

C17.3.20.2.17.1. If the action activity has not provided a functionally significant reply after three follow-ups (this excludes acknowledgment of receipt and forwarding via Reply Code 504), DoD WebSDR will reject the fourth follow-up using Reply Code 701 with remarks text directing the submitter to contact the action activity directly.

C17.3.20.2.17.2. WebSDR will reject a fourth follow-up subsequent to interim Reply Code 521 using Reply Code 701 with remarks text directing the submitter to contact the action activity directly.

C17.3.20.2.18. The number of interim responses and submitter status update combinations may not exceed the allowable maximum based upon the action activity response or lack of response, as applicable.

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[4] Ibid

C17.3.20.2.18.1. WebSDR will reject a fourth Reply Code 104 or 321 per SDR using Reply Code 701 with remarks text directing the submitter to contact the action activity directly.

C17.3.20.2.18.2. WebSDR will reject a fourth Reply Code 608 or 320 per SDR using Reply Code 701 with remarks text directing the submitter to contact the action activity directly.

Enclosure 2, DLMS Manual, Volume 2, Appendix3 Revisions

AP3. APPENDIX 3.

SUPPLY DISCREPANCY REPORT RELEVANT DATA ELEMENTS

AP3.1. GENERAL

AP3.1.1. This appendix provides a consolidated reference resource for data elements and their associated code sets applicable to Supply Discrepancy Report (SDR) submissions and responses. These data elements are applicable in all DoD SDR applications under the DLMS. The following data elements are included in this appendix. Within the context of SDR procedures, these data elements may be recognized by abbreviated names as indicated.

- Shipping Packaging and Storage Discrepancy Code. Also referred to as Discrepancy Code.
- SDR Requested Action Code. Also referred to as Action Code.
- Discrepancy Status or Disposition (Reply) Code. Also referred to as Reply Code.
- Discrepancy Report Document Type Code. Also referred to as SDR Document Type.
- DLA Disposition Services SDR Type Code. Also referred to as Disposition Services Sub-Type.

(Intervening text not shown)

AP3.4. DISCREPANCY STATUS OR DISPOSITION (REPLY) CODES. Action activities use the Discrepancy Status or Disposition (Reply) Codes to codify a response to an SDR. This data element may be referred to as an SDR Reply Code. It is a three position numeric code. Up to three reply codes may be used on a single report to provide complete financial and material disposition instructions and provide additional information as needed. Codes may be used to replace or supplement preprinted information on the reverse side of the SF 364. System design should accommodate clear text for ease of use and interpretation.

Reply Codes

The 100-series codes provide status of financial resolution, materiel disposition instructions, or other appropriate information:[5]

101   Credit authorized/recommended.
102   Credit not authorized; see remarks.
105   Forward materiel received to address shown. Must use traceable and most economical means available.

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[5] Exception: Reply Codes 103, 104, 107, and 108 have been moved to interim reply grouping.

Reply Codes

106	Forward materiel 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 DLA Disposition Services Field Office.
116	Turn in hazardous material received to DLA Disposition Services Field Office (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	Materiel will be reshipped (estimated date of replacement shipment provided, when known).
124	Materiel 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 only; no action taken.
145	No contractor liability found.

Reply Codes

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.
320   Reclassification of materiel complete. (Use only with Status Update.)
321   Documentation/technical data/other information are being forwarded. (Use only with Status Update.)

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.
410   SDR closed. Disposition action complete.
411   SDR closed SDR closed due to zero balance on record.
412   SDR closed. Materiel disposition could not be completed due to zero balance at storage location.

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

Reply Codes

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 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 IL Directorate or Repair and Return Office for research of R&R case.

514   SDR forwarded to the packaging specialist for research.

515   Procurement/DCMA 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).

520   *SDR materiel undergoing test/evaluation.*

521   *SDR resolution pending PQDR review.*

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.

608   *Reclassify materiel as instructed.*

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.

Reply Codes

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 Security Assistance). 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).[6]
718 SDR identifies a quality deficiency. Resubmit as a PQDR.[7]
719 SDR rejected. Duplicate of previously submitted SDR.

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.

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[6] 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.
[7] See footnote 1.

Reply Codes

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 contested.
910	Transaction rejected. Missing or invalid document number (or document number/suffix).
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, invalid, or unauthorized use of DoDAAC, MAPAC, or RIC.
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	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.
938	Transaction rejected. Missing or invalid transaction set purpose code.
939	Transaction rejected. Missing, invalid, or inappropriate SDR document type code.
940	Transaction rejected. Missing either contract number or contractor-assigned shipment number on SDR associated with vendor shipment.
941	SDR failed during processing. SDR cannot be transmitted electronically to the designated action activity.
942	Transaction rejected. Unauthorized use of reply code. The 200-series reply codes may only be used for Security Assistance SDRs.

Enclosure 3, DLMS Supplement Revisions

1. Revise DLMS 842A/W, Standard Supply Discrepancy Report (SDR), Follow-up, Correction, Cancellation, & Reconsideration Request, as follows:

Item #	Location	Change Table for DLMS 842A/W SDR	Reason
1.	DLMS Introductory Note	<u>Add ADC 1044 to Introductory note</u> - *ADC 1044, Enhanced Interim SDR Reply Capability, Status Update, and Completion Notification*	To identify DLMS changes included in the DLMS Supplement
2.	1/BNR01/0200	<u>Revise data element level DLMS Note 2 as shown:</u> 2. Cancellation, Request for Reconsideration, Follow-Up, 2nd Request for Reconsideration for FMS, and Correction (BNR01 *C*odes 01, 15, 45, 50, and CO, *respectively*) require point of contact information, action date, and narrative comments. ***Cancellation***, Correction, Follow-up ~~(code 45)~~, and Requests For Reconsideration ~~(codes 15 and 50)~~ must perpetuate data from the original SDR with updates as applicable. SDR ***transactions*** ~~for~~ ***identified by*** these transaction types ***require an original SDR to be recorded in DoD WebSDR and the recipient's SDR system for successful processing*** ~~which are unmatched on SDR control number(s) to the recipient's records will be treated as an original SDR~~.	Administrative update to remove obsolete guidance per ADC 488, Republication of DLMS SDR Guidance.

2. Revise DLMS 842A/R, SDR Reply, as follows:

Item #	Location	Change Table for DLMS 842A/R SDR	Reason
1.	DLMS Introductory Note	<u>Add ADC 1044 to Introductory note</u> - *ADC 1044, Enhanced Interim SDR Reply Capability, Status Update, and Completion Notification*	To identify DLMS changes included in the DLMS Supplement

Item #	Location	Change Table for DLMS 842A/R SDR	Reason
1.	1/BNR01/0200	Revise DLMS Notes as shown: **CN Completion Notification** **DLMS Note:** Use to indicate that *the* ~~action~~ activity *providing this transaction* has closed the SDR record internally. (This may not mean that all associated actions have been completed *by other activities applicable to the SDR*.) **SU Status Update** **DLMS Note:** *1. Use to provide additional information or status in response to an interim reply from the action activity.* *2.* Use to report recommendations or findings to the material owner in response to an SDR investigation.	Clarification of usage per updated guidance in this change.

Enclosure 4, Proposed Change Comment Resolution

	Submitter	Response/Comment	Resolution
1.	DLA	Concur with comment: 1. Recommend the time standard for systemic follow-ups associated with Counterfeit Materiel/Unauthorized Product Substitution (CM/UPS) and new Reply Code 520 (SDR materiel undergoing test/evaluation) to 12 months (vice 6 months) Justification for 12 Months: CM/UP investigations usually take years to resolve. The intent of not having the storage activity follow up sooner than 12 months is to allow for the lengthy investigation process. Furthermore, per previous conversations between DLA ICPs and DLA Dist. HQ, both parties feel that 12 months is an acceptable time standard for follow ups for material identified to CM/UPS. Having the follow ups sooner will only result in the user receiving these follow ups and creating unnecessary work by replying to these. Furthermore, it creates an increase in workload for the storage activity to work the replies as well. 2. Recommend wording be revised to "must" use a status update (Transaction Set Purpose Set Code SU) with Reply Code 321 (documentation/ technical data/other information is being forwarded) in response to Reply Code 104 (Additional clarification required). Justification for "Must": The intent for this PDC was to have the request for additional information be automated via the transactions. If the submitter doesn't use the "SU" then the request for additional information (104 task) would not have been sent to the storage activity since they couldn't respond with the 321. In these cases, the request	Noted. 1. Recommendation accepted. 2. Partially accepted. Wording will be adjusted to clarify that the only acceptable transactional response must use the status update, but that off-line communication is also acceptable where capability to respond via a status update is not available. The transaction reply using Reply Code 104 may be used for all SDR document types impacting various customers and applications. The preference is to retain use of the 104, even with users that do not have status update capability for their response. 3. Noted. Three iterations of the back and forth communication between the storage activity and the owner/manager should be adequate to resolve the SDR. If not able to resolve after three transactional attempts there is most likely a miscommunication between the two parties that should be discussed off-line. 4. Concur. 5. Corrected. 6. Corrected.

	Submitter	Response/Comment	Resolution
		would be done off line for the information and not systemically as called out in this PDC. The intent of these transactions (104/321) is to reduce the offline transmission of data between DSS and EBS. If systems outside of DSS do not have the capability to receive the 104, then the request for additional data would be done offline. 3. The original request was to allow up to 4 back and forth communications to obtain additional clarification (Reply Code 104 and Reply Code 608). The staffed version of the PDC reduced this to 3 iterations. DLA HQ will accept this change if acceptable to DLA Distribution. Note: DLA Distribution indicated their original preference was also for 4 iterations, but conceded that 3 would be acceptable. 4. Recommend revising the wording to say that the storage activity "must" use remarks text with Reply Code 412. 5. Correct duplicative wording (SDR closed. SDR closed). 6. Correct typo (says 530 vice 520).	
2.	Army	Army concurs with the contents of PDC 1044, except for the following: 1. Paragraph 4.f.(c) (Applicable to Reply Code 104): 31 days to provide additional information is excessive. Propose 3 days for new procurement and 5 days for customer returns. 2. Paragraph 4.f.(d): 30 days to reclassify material to SCC L for vendor returns is excessive. Propose 5 days for reclassification to be completed.	Noted. 1. DLA Distribution responds that based upon 31 days is necessary for the two biggest depots where the workload and number of employees necessitates longer response time. The shorter time recommended by the Army would require a contract modification at all the contracted depots. The SDR guidance will be updated to encourage immediate response but will not enforce the shorter time standard. 2. DLM 400.25-2 MILSTRAP authorizes 30 days for the depot to reclassify materiel once disposition is provided by the

	Submitter	Response/Comment	Resolution
			owner/manager. This time standard is referenced in SDR guidance, but is not being revised. The Army may want to pursue their recommendation as a change to MILSTRAP via the DLMS Change process.
3.	Navy	Concur.	Noted.
4.	Air Force	Concur with comments. Once an implementation date is set, ILS-S will need to capture a deferred requirement to allow ILS-S to make use of the new code and changes to the DLMS data elements, and revisit once an implementation date is established.	Noted.
5.	Marine Corps	Concur.	Noted.
6.	USTRANSCOM	Abstain. There is no impact to USTRANSCOM systems based on this change.	Noted.