DEFENSE LOGISTICS AGENCY

HEADQUARTERS

8725 JOHN J. KINGMAN ROAD

FORT BELVOIR, VIRGINIA 22060-6221

DEC 2 1 2006

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Defense Logistics Management Systems (DLMS) Supply Discrepancy
Report (SDR) Subcommittee Meeting, December 6-7, 2006

The attached minutes of the DLMS SDR Meeting 06-01 are forwarded for you
information and appropriate action.

The Defense Logistics Management Standards Office point of contact is Ms. Ellen Hilert,
SDR System Administrator, 703-767-0676, DSN 427-0676 or e-mail ellen.hilert@dla.mil or Mr.
Bob Hammond, 703-767-2117, or e-mail Robert.Hammond@dla.mil.

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IN REPLY
REFER TO DLMSO

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MEMORANDUM FOR RECORD

SUBJECT: Defense Logistics Management Systems (DLMS) Supply Discrepancy
Report (SDR) Subcommittee Meeting, December 6-7, 2006

Purpose: The Defense Logistics Management Standards Office (DLMSO) hosted the
subject meeting at the Headquarters Complex, Fort Belvoir, Virginia. Specific discussion topics
are noted below. A list of attendees is shown at Enclosure 1. All meeting handouts and briefing
material are available on the SDR Subcommittee Web page (refer to the meeting agenda):
http://www.dla.mil/j-6/dlmso/Programs/Committees/Supply/supplySDR.asp.

Brief Summary of Discussion: Ms. Ellen Hilert, SDR System Administrator, facilitated
discussion.

Review of Meeting Topics:

a. Status Update on WebSDR Implementation: Mr. Robert Hammond, DLMSO,
provided an update briefing on WebSDR implementation. The briefing provided background and
an overview of the WebSDR Transformation Initiative. Mr. Hammond discussed the current
interfaces which utilize transactions which are: DSS (842), BSM (842), Air Force Security
Assistance Command (AFSAC) (842), SAMMS (UDF) and a one way UDF interface with the
Army. In addition, there is an e-mail interface with the Air Force. Next steps for WebSDR
implementation include testing the DLMS X12 XML interface with the Navy with an expected
implementation in February 07; implementing the two-way communication with the Army, date
to be determined; testing the X12 interface with PDREP and completing the interface with GSA.
Ms. Hilert indicated that DLMSO was trying to secure additional funding for WebSDR through
the Business Transformation Agency (BTA). This funding would expand the limited resources at
DAASC and allow for the design and programming of SDR reports and management tools such
as those which would support perfect order fulfillment metrics.

b. Routing Rules for WebSDR. Ms. Hilert provided an overview of the routing rules
for original reports, follow-ups, replies, and reconsideration requests.

(1) Report. During the discussion on original reports, Ms. Hilert asked the
Marine Corps to evaluate using the Distribution Depot (DD) shipping activity as the initial action
activity for Marine Corps (MPB) directed shipments (as routinely done for Navy and Air Force
and DLA-directed DD shipments). **ACTION:** USMC to review routing rule.

(2) Follow-up. There are two concerns associated with follow-up submission. Customers sometimes submit follow-ups for a reply even though the reply is already posted to the web or for an SDR which has been forwarded to another activity for response. Although automated systems should retransmit the original reply upon receipt of such a follow-up, it would be preferable for the reporting activity to first determine the status of the SDR using the query function in WebSDR. If there is no record of a reply, a follow-up should be submitted and directed to the last identified action activity. There is also a concern with multiple follow-ups which tend to occur when there are hidden processing problems. A revised procedure was recommended to reduce the frustration encountered when multiple follow-ups fail to bring the appropriate response. The SDR report number of the original should be included in the follow-up. For transactional exchange, the DAAS-assigned control number should be included. POC information and a follow-up date are required, as well as a narrative entry to provide clarification for the follow-up. If no response is received to the follow-up within 30 calendar days, the originator should contact the Defense Distribution Center (DDC) for DD shipments or the source of supply (SoS) to request assistance. The DDC or SoS will ensure that response with disposition or interim status is provided with 30 calendar. With regard to contacting the DDC, they have agreed to provide a generic e-mail address for these types of inquiries. Ms. Hilert said she would have DAASC post a message on WebSDR indicating that if no response is received after the first follow-up, the submitter should contact either the DDC or the SoS. **ACTION:** DLMSO will update published guidance and provide Web-SDR instructions upon receipt of DDC generic email address.

(3) Reconsideration Requests, which occur when the originator does not concur with a reply/disposition received in response to an SDR, the request is submitted indicating a contested decision. The routing rules for WebSDR currently differ from the joint instruction. After discussion, it was agreed that the regulation should be updated based upon the following logic. Reconsideration requests pertaining to DD shipments will be forwarded to the shipping depot (excludes Army, pending USMC decision on original report routing); all others will be forwarded to the SoS, citing the SDR report number of the original report. For transactional exchange, include the DAAS-assigned control number. Requests for reconsideration transactions require all data that was in the previous SDR submission and a narrative entry to provide justification for reconsideration. POC information for the new submission and submission date is also required. An SDR must be in a closed status before a request for reconsideration can be submitted (this means the action activity reply to the SDR must be recorded with the applicable Component system). The recipients of the request for reconsideration will review all data relating to the problem and provide a response to the reporting activity with information to all concerned parties within 45 calendar days. When the shipping depot is unable to respond to the contested SDR, the depot will forward the SDR to the SoS for resolution (when the SDR is forwarded, the 45 days for processing and evaluation will begin when the SDR is received by the SoS). **ACTION:** DLMSO will update published guidance. The process change will not impact WebSDR programming at this time.

c. Army Pseudo Receipt SDRs. BACKGROUND: This is problem, first reported in 1999 and discussed at several Supply Process Review Committee (SPRC) meetings, is related to the Army implementation of the Material Receipt Acknowledgement (MRA) which included automatic generation of SDRs for non-receipt or shortage (based on MRA with discrepancy code

F).   Many of these SDRs are prepared while shipment is intransit or without knowing the material has been received after the SDR was generated. These pseudo receipt SDRs are then submitted by hard-copy without research. These SDRs result in significant unnecessary workload for the action activity.   The Army agreed during the SPRC Meeting in May 2002, that SDRs triggered by pseudo receipts would be verified by the submitting activity and those believed to be valid would be annotated as "Verified as true SDR (ROD)." **DISCUSSION:** Ms. Vickie Albert, DLA SDR Program Manager, indicated that DLA is receiving a large volume of pseudo-receipt SDRs without proper verification. She emphasized these SDRs will not be worked by DLA until they are verified by the submitter. Patrice Burklund, Army SDR representative, and Judy Reger, Non-Army Managed Items (NAMI) Office, were not aware of the previous Army agreement to research the SDRs prior to submitting to action activities.   Ms. Hilert provided copies of the previous meeting minutes. Ms. Hilert also indicated that in the future Army systems should be creating these SDRs as transactions rather than hard copies and so the automation process must be improved. **ACTION:** DLA ICPs and the Defense Distribution Center (DDC) will look for trends by originating activity and notify Judy Reger so that corrective action can be taken by the Army to ensure the proper research is accomplished prior to submission.

   d. UID Program Office Overview Briefing/ Policy Guidance for IUID Discrepancies. Ms. Lydia Dawson, from the UID Program Office, provided the Committee with a briefing on the status of the IUID program and accomplishments for FY 2006.   This was followed by a general discussion of the impact of IUID policy on SDR business rules. Ms. Hilert explained that there are two aspects which must be addressed in overarching guidance.   The first is where the discrepancy is directly related to the IUID requirements and, especially, when the material is being provided under a new procurement. Policy updates have been suggested by DLMSO which are consistent with current procedures for handling material where the contractor is in non-compliance (e.g. required IUID mark is missing or does not agree with shipment information provided). The second issue is where the other types of discrepancies occur in material for which there is an IUID requirement. It is not currently clear when and what data must be carried in the SDR. Provisions are being made to pass the UII and the serial number; however other pieces of associated data may be desired and have been mapped to the transactions.   DLMSO believes that condition-related discrepancies should include UII/serial, but it is less clear whether it should be included for all or only selected other discrepancy situations (e.g. packaging discrepancies). **ACTION:** DLMSO will continue to participate with DUSD(L&MR)SCI and the UID Program Office toward synchronization of UID/RFID/SIM policy and provide feedback to the SDR Committee.

   e. WebSDR Responder Role Confirmation Process Proposed By DAASC. Ms. Dawn Kohlbacher, DAASC SDR Program Manager, briefed proposed procedures for approving responder role access for WebSDR. Currently the System Access Request (SAR) required for access to WebSDR identifies submitter and responder roles. Basic submitter access does not require Service approval (except for Navy customers who are referred to NAVSUP).   The responder role (that is, the capability to reply with disposition/resolution via direct web input) requires specific approval from the Component's SDR point of contact (POC). Obtaining approval requires manual intervention and is a work load issue for DAASC. The proposed approach would provide for two generic mailboxes, one for the Air Force, which has a large

volume of requests, as they use the web exclusively for replies, and another for all others as most of those replies come from a Service system rather than the web. When the SAR has been approved by DAASC (after the basic information assurance check) and requires Service approval for responder access, an e-mail will be sent to the individual Component's email address notifying the POC to check their responder access mailbox in order to approve/disapprove the request.   Access to the generic boxes will be available to multiple Component POCs with approval authority. Ms. Kohlbacher confirmed that access is automatically re-validated and after for 180 days an inactive account is disabled.

      f. Joint Component Instruction. Ms. Hilert had asked the committee members to review the instruction, which has been updated to include WebSDR functionality, DLMS changes issued in the past year, and other administrative changes. After Component review and further update, we will need to work together to finalize and coordinate through publication changes. **ACTION:** Components should provide preliminary comments by January 30, 2007.

      g. DLMS Manual, Chapter 17, Supply Discrepancy Reporting. Ms. Hilert told recommended that we should complete this update to the joint instruction and then work to rescind it in favor of the DLMS Manual. She asked all Components to review the updated manual. Information is comparable to that in the joint instruction, but the layout is different and generally well-received., and the capability to hyperlink to reference data is considered a bonus. The chapter has already been submitted to DLA publications as Change 4 to the DLMS manual, but suggested improvements are still welcome. **ACTION:** Components should review and provide comments by January 15, 2007. **Subsequent to the meeting,** comments were received from NAVSUP and these are being incorporated in the final version.

      h. DLMS Change Proposals. Ms. Hilert provided an overview of how the DLMS change process works. Discussion included a number of SDR-related DLMS changes currently under development, in staffing, and awaiting implementation**.**   Status is also posted to the DLMSO Web site: http://www.dla.mil/j6/dlmso/eLibrary/Changes/Qtrly_Status_Rpts/ DLMSStatus06_ baseline.doc. Changes below are listed in numerical sequence where Proposed DLMS Change (PDC)/Approved DLMS Change (ADC) numbers are assigned.

      (1) PDC under Development for DLA-Entered SDR Query. There is a PDC in development by DLA to provide a query to identify and measure the number of SDRs input by DLA Customer Interaction Center or other DLA personnel on behalf of customers who are still using hard copy or other reporting methods. The purpose of this change is to identify high volume customers using hard copies and try to encourage them to use WebSDR. **ACTION:** DLA will define their requirements. DAASC will help with determining best method to extract the desired information.

      (2) PDC under Development for Air Force Distribution Copy. The Air Force is writing a PDC which would create a drop down menu on WebSDR to trigger an information copy of SDRs to appropriate Logistics Support Centers (LSC). This change would help alleviate problems of Air Force Bases receiving duplicate shipments or receipts not-from-due generally connected to a MICAP shipment directed by the LSC. The receiving activity submits an SDR to the shipping activity which is another Air Force Base or a depot; however, the source of the

problem is actually within the LSC process. **ACTION:** USAF will develop the PDC with further explanation of their requirement.

> **(3) ADC 128, Revised SDR Transaction Exchange (Formats, Codes and Unique Identification (UID) (Supply/SDR).** This PDC established new discrepancy and reply codes related to IUID SDRs. Ms. Hilert indicated that this ADC has not been fully implemented, but the new discrepancy codes are implemented in DSS and Business Systems Modernization (BSM). Many of these discrepancy codes are not being properly used during web input due to a generic interpretation by the customer. **ACTION:**   Ms. Hilert will develop a note for WebSDR clarifying the usage.

> **(4) ADC 144, SDR transaction Exchange Business Rules (Supply/SDR).**   This change removes submission time constraints for UID discrepancies and updates the joint guidance to reflect transition to processing of SDRs as standard logistics transactions. The revisions to the joint instruction are reflected in the draft version under review.

> **(5) ADC 158, Requirement for Prepositioned Materiel Receipt (PMR) Transactions.** This change required Distribution Depots (DDs) to submit an SDR to the ICP when new procurement material is received without prior Prepositioned Material Receipt (PMR). Other unexpected receipts, including returns and/or redistributions which are not ICP/IMM directed and unscheduled returns to/from maintenance may be reported by prior direction of the owner/manager. This change has been implemented.

> **(6) ADC 174, Inclusion of Data Supporting UID of Items in DS 842A/W, SDR WebSDR.**   This change updates business processes using DOD WebSDR and the DS 842A/W to carry unique item Identifier (UII) data for unique identification (UID) of assets. The change will allow for entry of the UII, serial number and/or batch/lot data elements on the WebSDR screen or a transaction driven interface for multiple discrepant items on a single report. Also included is the capability to identify a data associated with each specific item (one of the following): Warranty Expiration Date, Shelf-Life Expiration Date or Date Pack. Design work is currently underway for Distribution Standard System (DSS) update to implement retention of IUID content within the SDR transaction associated with receipt of IUID material. During the discussion it was verified that the Warranty Expiration Date is only applicable to the Security Assistance quality-related SDRs. **ACTION:** DLMSO and DLA will work with the DSS to specify IUID data requirements for the future DSS release.

> **(7) Draft PDC 176A, Mandatory Identification of Detail Level Packaging Discrepancy Codes of USAF DOD WebSDR Users.** This change requires mandatory identification of four-digit packaging discrepancy sub-codes in WebSDR rather than the two-digit packaging (P) type codes.   The original staffing was not well-received and was put on hold. After discussion, it was agreed by the Committee that the requirement is now feasible and would not be manually intensive for the submitter; therefore, the PDC will be re-staffed for mandatory use for extended packaging codes within automated systems. An exception will still be needed where the original report was created via hard-copy. **ACTION:** Ms Hilert will update the PDC and re-staff.

(8) **ADC 181A, Foreign Military Sales (FMS) SDR for Quality Deficiencies including Latent Defects.** This change documents the intent of the ICP/IMM to process quality related SDR under the Products Quality Deficiency Reports (PPQDR) procedures. In addition, the change required substantiating documentation be submitted for latent defect SDRs and provides a list of applicable forms of substantiating documentation. During the discussion of this change, Ms. Hilert indicated that teleconference is required between the Service FMS POCs and DLMSO to discuss the Air Force Security Assistance Command (AFSAC) interface with WebSDR. Testing of this SDR interface with the NAVSEA PDREP application is about to begin. **ACTION:** Further discussion to clarify business rules with specific attention to the reply will be scheduled for late January/February timeframe.

(9) **ADC 184, Redistribution Order (RDO) based Supply Discrepancy Reports (SDRs).** This change establishes a new category of SDR (Type) R and applicable routing rules. It provides specific business rules for a short shipment, over shipment, and wrong material shipment for resolution by the shipping depot. In addition, for specific discrepancies where material is placed in a suspended condition, and the SDR is directed to the SoS. During discussion, a Navy concern for receipt of an information copy was resolved (no copy is required where the report is forwarded to the shipping depot; a copy of the reply is already provided and will be adequate for ICP processing). No action; this change has been fully implemented.

(10) **ADC 187, Revise SDR Reply Procedures for Forwarding SDRs to New Action Activity, E-mail Addresses and Source of Supply.** This change documents the use of WebSDR to generate/distribute a new report when the original was sent to the wrong action activity; provides for additional e-mail address in the transaction to allow for distribution of reports and replies; and requires the SOS to be inserted in the reply by the DD. No action; this change has been fully implemented.

(11) **ADC 188, Distribution Depot Q Receipt SDRs.** This approved change formally recognizes a unique process previously employed between the DDs and DLA ICPs. It assigns new Q-series discrepancy codes applicable for stock screening discrepancy reporting to Components via SDR and SQCR to eliminate the dual-use conflict with Security Assistance SDRs. The DD report quality deficient material or potentially deficient material discovered at receipt using the SDR process and, for those deficiencies discovered in storage, the SQCR process is used. Ms. Hilert indicated that other Services should consider using this process for reporting their quality discrepancies. Ms. Albert, from DLA described a process done at some of the DSS depots which are co-located with the Air Force which requires depot personnel to process a receipt in DSS and then update the Air Force PQDR System which is very labor intensive. Mr. Weiner from the DDC emphasized that he would like the process to be standard at all the depots. DLMS, DAASC, and DLA have been working with the Air Force to test an interface with the Air Force PQDR application using the SDR Q-series email. **ACTION:** DLA will work with AF to finalize their requirements and submit a new proposal to identify the new routing rule. If this proves successful, further study for an interface with PDREP should be considered.

(12) **ADC 196, Business Rules for SDRs Resulting from Lateral Redistribution Order (LRO) for DLA Managed, Non-Army Managed Item (NAMI) Owned**

Material. This change, which defines new routing rules, is applicable only for DLA directed LRO shipments under the Total Asset Visibility (TAV) Program where the material is managed by DLA but owned by the NAMI Product Support Integration Directorate (NAMI-PSID) and shipped from an Army site. SDRs, as a result of these types of shipments will be routed to NAMI as the action activity. All other SDRs as a result of redistributions under TAV will be sent to the ICP/IMM. **ACTION:** The type code used to identify these SDRs will be revised under a follow-on proposal. This change is not fully implemented and is considered high on the list for SDR priority changes for DAASC action.

(13) ADC 206, Discrepancy Reporting for Wood Packing Materiel (WPM). This OSD mandated change establishes procedures and a new discrepancy code to be used for reporting shipments containing non-compliant WPM. No action; the code is now available in automated systems. The procedures are included in the draft instruction under review.

(14) ADC 207, New Discrepancy Codes for Identification of Hazardous Material. This change establishes new discrepancy codes to identify supply and storage discrepancies which pertain specifically to discrepant hazardous material identified at time of receipt or in storage. No action; the codes are now available in automated systems. The procedures are included in the draft instruction under review.

(15) ADC 210 (and Proposed Addendum 210A), Defense Reutilization and Marketing Service (DRMS) and National Inventory Management Strategy (NIMS) Shipment Types Identified for SDR Processing under DLMS. This change modifies WebSDR and the DLMS 842 transactions to add the capability to identify specific types of SDR as a sub-type of the original basic Type Document Code using a two digit code. It also provides a format for a DRMS query/report. **Subsequent to the meeting** Ms. Hilert discussed this change with the Navy, DAASC and DLA and asked when the change could be implemented. The Navy indicated they would have to get back to her regarding when they could implement. DSS will implement with the 7.1 release which is the last week in January 2007. BSM has not prioritized the change and was unable to provide an implementation date. SAMMS will not implement as it is a legacy system. Ms. Hilert has purposed a revised addendum (210B) to the change which will be sent out for comments/concurrence. This addendum does not impact ADC 210 reporting for DRMS material which may be implemented at any time. The primary purpose of the new addendum is to convert to one-position type codes to minimize data base changes and to establish interim process rules for use where not all systems can accept the new values. **ACTION:** DLMSO and DLA are working to finalize 210B for coordination.

(16) DRAFT PDC 212, Duplicate SDR Criteria. Ms. Hilert expressed continue concern for lack of standard business rules to determine duplicate criteria for a SDR transactions. The problem is complex as different systems have different rules for what constitutes a duplicate. The issue is further complicated by the DSS use of partial shipments which may have different discrepancies reported over a period of time which differ by Transportation Control Number (TCN), but not document number/suffix. To the customer these may seem to be separate SDRs, and DLA systems will accept them as such; however, Service systems would not. After discussion, the Committee agreed to proceed with the PDC to include basic document number edits and complete duplication of an existing record. Remaining

business rules will require additional research and Component agreement on the best approach. **ACTION:** Components provide duplicate criteria currently employed in their systems and explain how changes and cancellations work. DLMSO will finalize PDC 212 as agreed and release for staffing.

(17) PDC 230A, Passive Radio Frequency Identification (pRFID) Discrepancy Codes. This proposed change which has been staffed, establishes new discrepancy codes for discrepancies related to passive RFID tags. Ms. Hilert requested and received approval during the meeting. **ACTION:** DLMSO will finalize and publish the ADC.

(18) PDC 231A, Discrepancy Disposition/Status (Reply) Code Revisions. This proposed change which has been staffed, modifies and adds Disposition/Status Codes available for use in SDR replies. Ms. Hilert requested and received approval during the meeting. **ACTION:** DLMSO will finalize and publish the ADC.

(19) PDC 240, DOD WebSDR Requirement for DLA Information Copy. This PDC which is out for staffing proposes to correct a DLA problem, but may be applicable to other systems. The change establishes procedures for WebSDR to create and transmit an information copy of an SDR in response to a reply reject code sent to DAASC. The reject condition is applicable when the SOS is DLA (Routing Identifier SMS); the DD is the action activity when DLA can not process the DD reply due to lack of a record establishing the basic report. Once the information copy is provided by DAAS, DLA will reprocess the reply to update records. **ACTION:** Components should provide response to the PDC staffing.

i. SDR and Equipment and Maintenance Inspection Worksheet, DA Form 2404. **BACKGROUND:** Currently, at DDs co-located with Army maintenance sites, there is a unique SDR procedure for documenting missing and damaged material associated with major end items, e.g. tanks. When an Army unit returns a tank, a depot employee inspects the tank and fills out a DA Form 2404, Equipment Inspection and Maintenance Worksheet, which indicates the NSNs and cost of the items missing from the tank. In addition a SF 364, SDR is prepared in DSS and a hard copy of the SF 364 along with the DA 2404 is e-mailed to the Army ICP. At the Army ICP, the SDR and the DA 2404 data must be input into the AEPS System. **DISCUSSION:** Ms. Hilert indicated that it is possible to replace the DA 2404 Form with the DLMS 842 using additional loops (there is already a capability to carry two iterations of missing component information, but this may not be compatible with DSS). Another alternative would be to provide AEPS access to the DD; there would be issues to resolve in making sure the information is recorded in DSS and WebSDR if AEPS becomes the entry tool. **ACTION:** Further discussion is needed on this topic and DLMSO/DAASC/Army/DDC/DLA will participate in a conference call in January 2007.

j. Reports and Management Tools. Ms. Hilert requested that the Committee consider future requirements for inquiry capability and advise DLMSO of any sensitive information on the data base that should be protected. Ms. Albert has submitted ideas for the WebSDR report functionality which will need to be coordinated with the Components. **ACTION:** DLMSO will review Ms Albert's information to determine if sufficient information is available for staffing a DLMS change.

j. Wrap-up. Ms Hilert expressed gratitude to the participants for their contribution to making this a successful and informative meeting. The next meeting is tentatively planned for April 2007.

_____/signed/_____   Approved:_____ /signed/_____
ELLEN HILERT   DONALD C. PIPP
Supply PRC Chair   Director
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Enclosure