



DEFENSE LOGISTICS AGENCY  
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IN REPLY  
REFER TO

J627

May 24, 2011

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Defense Logistics Management System (DLMS) Supply Discrepancy Report (SDR)  
Sub-committee Meeting 11-01, April 28, 2011

The attached minutes of the DLA Management SDR Meeting 11-01 are forwarded for your information and action as appropriate.

The DLA Management Standards point of contact is Ms. Ellen Hilert, DoD SDR System Administrator, (703) 767-0676, DSN 427-0676; or email [ellen.hilert@dla.mil](mailto:ellen.hilert@dla.mil).

A handwritten signature in green ink, appearing to read "Donald C. Pipp".

DONALD C. PIPP

DIRECTOR

DLA Logistics Management Standards

Attachment

cc:

ODASD(SCI)

Attendees

SDR Committee (US/SA)

Supply PRC



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May 24, 2011

MEMORANDUM FOR RECORD

SUBJECT: Defense Logistics Management System (DLMS) Supply Discrepancy Report (SDR)  
Sub-committee Meeting 11-01, April 28, 2011

**Purpose:** The DoD SDR System Administrator hosted the subject meeting of the DoD SDR Subcommittee to the DoD Supply Process Review Committee in Arlington, Virginia. Specific discussion topics are noted below. A list of attendees is shown at Enclosure 1. All meeting handouts and briefing materials are available on the SDR Committee Web page (refer to hyperlinks from the meeting agenda):[http://www.dla.mil/j-6/dlms0/Archives/archives\\_sdr.asp](http://www.dla.mil/j-6/dlms0/Archives/archives_sdr.asp).

**Brief Summary of Discussion:** Ms. Ellen Hilert, DoD SDR System Administrator, facilitated discussion. Action items identified below are to be worked within 15 days of this memorandum unless otherwise noted.

**Review of Meeting Topics:**

a. **Status update on DOD WEBSDR implementation.** Ms. Hilert provided an overview of DOD WEBSDR implementation status. DOD WEBSDR continues to experience challenges due to new requirements layered on top of an incomplete baseline, competing requirements among the Components, widespread resource constraints, and data integrity issues with manual SDR preparation. Refer to briefing slides for upcoming DoD WebSDR enhancements. General discussion included identification of multiple concerns and several specific action items were noted.

- **ACTION:** Product Data Reporting and Evaluation Program-Automated Information System (PDREP-AIS) (Ken Carr) to make necessary changes to ensure SDRs carry the correct SDR Type Code. The most significant issue is the failure to use the correct code when identifying direct vendor delivery customer SDRs.
- **ACTION:** DLA (Esther Wade) to investigate development of standardized guidance for DLA Centers and DLA Distribution (for dissemination to DLA depots) for transportation of directed return of Foreign Military Sales. Although alternatives are authorized (commercial carries, transportation account codes (TAC) when using

Defense Transportation System (DTS), or transportation credit under MILSBILLS), the variation may cause confusion for customers.

- **ACTION:** (Ken Carr and DoD WebSDR Team) Re-evaluate procedures for routing of FMS quality-related SDRs to PDREP-AIS for system conversion to Product Quality Deficiency Reports (PQDRs) for processing and subsequent conversion of the PQDR reply to a SDR reply for routing to the submitter via DoD WebSDR. Additional documentation may be required to clarify procedures. (No timeline on this action due to current priority workload and complexity of the process.)
- **ACTION:** DLA HQ (Esther Wade) to update DLA Systems Change Request (SCR) 139134 to include PQDR Exhibit Receipt per pending Approved DLMS Change (ADC) for inclusion of the Deficiency Report Unique Identifier and PQDR Report Control Number to the DLMS transaction as discrete data fields. The ADC is awaiting determination that this approach is the best interim solution to provide exhibit receipt notification from the receiving depot to the two applications requiring information to track PQDR exhibit returns.

**b. Status of SDR Management Reports and Query Capability.** The DoD WebSDR on-line management reports were recently enhanced. Report displays now include additional columns in the “detail report view” (i.e. Submitter, Action Activity, Major Command (of Submitter), Owner/Manager, Discrepancy Codes, Action Codes, and Reply Disposition Codes). Additionally, reports now support download to Excel sent directly to the user’s email address. This will allow further manipulation of the data. DLA Transaction Services recently implemented new systemically-based report access controls derived from the approved under the System Authorization Access Request (SAAR). Transshipper reports are now available in two views: action activity- based and submitter-based. Report output has been consolidated into a single Excel spreadsheet including the current month and a recap of the previous month’s data (in order to display associated responses). The reports are automatically run weekly and emailed to a specific subscriber list. The output is broken down by action code providing separate worksheets for Action Code 3A-Transshipper request for expedited response-shipment frustrated and Action Code 3B-Discrepancy reported for corrective action and trend analysis) for each activity value. Several tailored reports have been created for the Air Force and new reports are under development to increase oversight to identify monthly trends and tracking of Air Force SDRs at the Major Command level. In order to generate the requested Air Force reports the Major Command data element has been added to the metrics tables in DoD WebSDR. A future change is planned for the DoD WebSDR report selection menu to allow selection by Major Command and enhance selection of by discrepancy type (e.g. all shipping discrepancies) and reply codes follow-ups (e.g. all 500-series).

- **ACTION:** Air Force (MSgt Edwards) to submit DLMS Proposed Change documenting Major Command and associated Air Force report requirements.

- **ACTION:** SDR System Administrator to clarify requirements for other enhancements to DoD WebSDR team for future programming.

**c. Update on Item Unique Identification (IUID) SDR Discrepancy/Deficiency Workshop.** Ms. Kathy Smith, ODASD (SCI) briefed the committee on the ongoing initiative for OSD IUID including Joint Logistics Board (JLB) Task Force recommendations and policy evolution. She described the recent SCI-led IUID workshops and their outcome including enhanced business processes using IUID to serially manage items in the DoD logistics domain and enhanced data exchanges for IUID information across the DoD logistics (refer to briefing slides for details). Ms Hilert joined Ms. Smith in presenting information discussed during the DoD IUID SDR Discrepancy/Deficient workshop held on April 27, 2011. The purpose of the workshop was to achieve consensus on new and existing requirements for discrepancy and deficiency reporting upon integration of IUID within the DoD Supply Chain. All aspects of the existing DoD SDR process, procedure/business rules, and systems must be enhanced to include IUID requirements impacting interfaces, codes, time standards, and providing near and long-term implementation strategies. It was noted that there was extensive discussion during the Workshop concerning the appropriate mechanism for reporting of missing/unreadable IUID on an item: an SDR or a PQDR. Ms Hilert asserted that the timing of the discrepancy (new procurement vs. maintenance/overhaul) and the submitter (Distribution Depot vs. end use customer) could be considered key factors in clarifying policy and procedures. She believes the primary focus is that the discrepancy be documented with minimal hardship to the reporting activity so that the process for resolution can begin. Either format should carry the same weight for measuring contractor performance. Proposed IUID requirements associated with SDRs include the following:

- (1) Defined levels of intensity for management of IUID materials (“high” and “standard”) will require integration of the new FLIS Code assigned by NSN indicating level of intensity.
- (2) Implementation of the IUID-Required Indicator in the DLMS 527D so that the pre-positioned materiel receipt at the depot flags this requirement by specific contract for new procurement materiel receipts and triggers creation of the SDR when IUID is missing (applicable during transition period when some contracts may not have been modified to require IUID).
- (3) Component modernization efforts must integrate receiving and ERP functionality, facilitating perpetuation of the Unique Item Identifier (UII) to the SDR from the receipt process. The SDR as a stand-alone process/stand-alone system is not efficient and doesn’t facilitate capture of IUID discrepancies with their associated UIIs.
- (4) Revised timeframes for SDR processing will be based on new levels of intensity

In order to accomplish the above, DoD-level policy/procedural updates will be required, SCI will publish a “guidebook” for IUID-Enabled serialized item management, and Proposed/Approved DLMS changes defining data exchanges/business rules will be developed.

**d. DoD 4140.1 Directive, Instruction, and Manual Reissuance. Subsequent Cancellation of SDR Joint Component Instruction/Regulation/Manual.** During Ms. Smith overview on IUID policy she provided an update on the status of the Draft DoDM 4140.01-M, DoD Supply Chain Materiel Management Procedures. It has been reorganized from a single regulation to a multi-volume manual and is currently being re-coordinated with the Components. The updated publication includes specific guidance on serialized management using the UII. The overarching directive and instruction are in the final stages of coordination/publication. The Instruction authorizes and directs the conversion of the DoD issuances for the most of the Defense Logistics Standard Systems (e.g. MILSTRIP, MILSTRAP, etc.) into Defense Logistics Manuals (DLMs) within 180 days of publication of the Instruction. The DoD Components will be directed to comply with the DLMs, which, when converted, will be available from <http://www.dla.mil/j-6/dlms>. Ms. Hilert explained that the DLM must be authorized before the SDR joint instruction can be cancelled. Once the manual for the DLMS is converted to a DLM it will officially cancel the separate obsolete SDR publication, and the DLMS DLM will become the single source of DoD-wide SDR guidance.

**e. Base Realignment and Closure (BRAC) Impact on SDR Processing by DLA Distribution Depots.** The Distribution Standard System (DSS) has incorporated multiple SDR changes as a result of BRAC requirements defined for the Marine Corps and the Navy. DSS will have the ability to submit SDRs using Type Code 6 or 7 on behalf of Naval Shipyard (NSY), Fleet Readiness Center (FRC), and Marine Corps Maintenance Center (MCMC) customers. This is a highly significant development because the current process for depot receipt of requisitioned materiel requires two separate SDRs: (a) receiving depot-generated Type 8 SDR to the owner, and (b) owner/customer-generated Type 6/7 SDR to the shipping depot or source of supply from which materiel was requisitioned. This process is cumbersome for requisitioning customers and results in a great deal of confusion, wasted time/delay, and duplicative effort. Ms. Hilert asked for clarification regarding how the appropriate SDR Action Code would be determined by the depot receiver. DLA responded that no specific program logic has been identified, so the user will need to select the code from the code list. Ms. Hilert advocated for expansion of the new BRAC capability to other co-located customers. Because it is not clear whether this would have an adverse impact on depot operations, further research is required.

- **ACTION:** DLA (Esther Wade) will investigate feasibility and impact of expanding procedures for depot-generated Type 6/7 SDRs to all Components. (Response due 30 days from date of this memorandum.)

**f. Defense Contract Management Agency (DCMA).**

(1) DCMA has recently become more involved with the DLMS SDR program. DCMA is currently a PDREP-AIS user and requested information copies of SDRs be sent to PDREP so DCMA representatives will have better visibility of SDRs. DCMA has asked to be notified when vendor originated shipments under DCMA administered contracts have discrepant packaging. DCMA would also like to receive notification of FMS quality deficiencies identified by SDR. DoD WebSDR does not currently identify which contracts are DCMA administered; however, a future WAWF interface would provide this information (if there is an alternative method it should be identified by DCMA). Ms. Hilert is very reluctant to add the DCMA information copy to the SDR process and believes that management reports would be a better solution to the lack of visibility.

(2) DCMA is frequently identified by SDR submitters as the primary action activity on a new SDR. Ms. Hilert is working on procedures supported by DoD WebSDR edits that will block identification of DCMA as the initial action activity and direct users to identify the organization that issued the contract, e.g. the source of supply. The procedures would then support use of forwarding the SDR to DCMA for further research and response.

(3) DCMA noted that there are cases when DCMA may need to enter the SDR as a third party on behalf of a contractor that does not have access to the SDR system. DoD WebSDR allows contractor access with an approved SAAR as well as third-party initiated SDRs. However, there would be several details to work through to determine best approach; the primary concern would be management reports would show DCMA as the submitter and would not specifically identify the vendor/ship-to.

- **ACTION:** Ms. Hilert and DoD WebSDR team will establish requirements to provide DCMA with recurring reports directly to DCMA personnel email accounts (Doug Jokinen, Tom Leeper, and Glen Seabridge). Initial criteria will be all Type 6 (direct vendor delivery) and Type 9 (new procurement Distribution Depot receipt). Type W reflecting a contract number will be included, but will require additional programming to segregate these. Reports will run the first weekend of each month and include data for the prior quarter. Over time, more detailed requirements may be defined by DCMA and submitted via Proposed DLMS Change. (Establishment of preliminary recurring reports due 30 days from date of this memorandum.)
- **ACTION:** Ms. Hilert in coordination with DCMA will draft a Proposed DLMS Change documenting procedures blocking initial action copy identification of DCMA and clarifying procedures for forwarding SDRs to DCMA when DCMA input is required. (Draft PDC due 60 days from date of the memorandum.)

- **ACTION:** Ms. Hilert in coordination with DCMA will review procedures for direct input of SDRs by DCMA on behalf of the vendor and recommend proposed DoD WebSDR changes as needed. (Recommendations due 60 days from date of the memorandum.)

**g. Transshipper SDRs and Continuing Dissatisfaction with the SDR Process.**

Ms. Hilert reported numerous complaints from port personnel. These mostly involve shipments that have been frustrated at the port, an SDR has been submitted in accordance with DLMS guidance, but there is no response or the response is provided late (often by several months). Ms. Hilert noted the high volume of shipments arriving at the port without proper documentation resulting in an SDR. Ms. Hilert reported that USTRANSCOM has requested appropriate attention to timely processing SDRs and heightened surveillance of the shipments resulting in SDRs so that problem areas are corrected. DLA has confirmed plans to systemically trigger DSS printing of the DD 1387-2, Special Handling Data Certification, based on the air commodity code and the Controlled Inventory Item Code (CIIC) codes, to alleviate problems with missing documentation. However, Ms. Hilert has also requested interim guidance and training to depot personnel to manually prepare the required forms. Ms. Hilert also discussed the problem of unroutable Transshipper SDRs that result in delays. The highest volume of these is due to lack of routing rules for Army shippers. The Army doesn't want SDRs to go directly to Army depots. Additionally, there appears to be some retail/tactical level shipping activities for which no RIC is assigned. Ms. Hilert requested that the Army reconsider providing email addresses for Army depot RICs and provide a default email address for unroutable Army SDRs.

- **ACTION:** Subsequent to the meeting, the Army suggested an alternative procedure that will require DoD WebSDR to block manually prepared SDRs where the Army action activity is not an Army Inventory Control Point (ICP) or Non-Army Managed Item (NAMI) ICP. Since some users will not have sufficient information to identify the National level activity, a default action activity will also be required under this process. Army representatives will prepare a Proposed DLMS Change. (PDC due 30 days from date of this memorandum.)
- **ACTION:** The discussion about unroutable SDRs, also resulted in an action for SMSgt Edwards to provide DLA (Janet Hooper) the contact information for Air Force leads for DLA-requested lateral redistribution actions under Total Asset Visibility (TAV) business rules.
- **ACTION:** DLA Distribution (Joe Rutkowski) to provide guidance and training to depot personnel clarifying when the DD 1382-1 is required.
- **ACTION:** All Components to ensure appropriate guidance has been provided for working transshipper SDRs and that management reports/SDRs are used effectively to improve DoD shipping process.

**h. Reutilization Business Initiative (RBI) DLA Disposition Services.** Ms. Dorothy Peoples (DLA J332) representing DLA Disposition Services presented an overview of the proposed procedures and processing rules for SDRs under the RBI. DSS changes will accommodate SDRs resulting from redistribution of property between Field Offices. The major process changes and impact on the Components include :

(1) SDRs associated with turn-ins will be addressed to the generator DoDAAC (the activity that turned in the property for disposal/reutilization). All DoD systems must be able to receive incoming SDRs with action activity DoDAACs (rather than RICs). It is believed that this will not be problematic for Navy systems. It is not known if the Air Force ES-S will support incoming SDRs address by DoDAAC.

(2) DSS will be required to provide email addresses for routing of SDRs directly to the generating activity when available. The email address will be included within the SDR transactions. DoD WebSDR will also distribute SDRs to the generating activities SDR processing system when available (e.g. NSDRS for most Navy activities, PDREP for Marine Corps and NSYs/FRCs). DSS will not have the email address for all generators and the SDR will be sent to DoD WebSDR for metrics/trends (potentially as “historical” SDRs using beginning segment code 49).

(3) New discrepancy codes will be used internally to ensure that SDRs carry standard messages to the action activity and to improve internal metrics. Several new DoD discrepancy codes will be introduced and will require table updates for interpretation.

(4) The current DLA Disposition Services Form 917 will be terminated and replaced with SDRs.

(5) When unacceptable property is turned in, the SDR will require that the customer pick up the property. It is not yet clear what will happen if the generator does not respond to the SDR or does not pick up the property.

(6) New rules will be needed to handle incoming SDRs to DLA Disposition Services in response to customers receiving discrepant materiel. It is possible that these SDRs will be directed to the DLA Disposition Services ICP or to the Field Office that shipped the materiel.

- **ACTION:** Air Force (MSgt Edwards) to research impact of DoDAAC action activities and provide estimated date for Enterprise Solution Supply (ES-S) implementation for incoming SDRs.
- **ACTION:** Business rules for Field Office-originated SDRs lacking generator email must be clarified. A proposed DLMS change is currently under development.



**i. Implementation Goals and DLA Transaction Services Priorities.** The current focus is on DoD WebSDR programming in support of Component identified priorities (e.g. BRAC, RBI, Army migration to new hosting environment, Marine Corps migration to PDREP-AIS) and making SDR management reporting capability more flexible and informative.



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