



## Joint Service INSTRUCTION

DLAI 4145.4  
AR 740-3  
AFMAN 23-125(IP)  
NAVSUPINST 4400.100A  
MCO 4450.15A  
November 9, 2012

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J-331-TQ

### STOCK READINESS

(This publication has been revised significantly  
and must be reviewed in its entirety.)

#### A. REFERENCES

1. DoD 4140.1-R, Supply Chain Materiel Management Regulation, May 03.
2. DLAI 4145.4/AR 740-3/AFJMAN 23-231/NAVSUPINST 4400.100/MCO 4450.15, dated 6 January 2003.
3. AR 700-15/NAVSUPINST 4030.28E/AFJMAN 24-206/MCO 4030.33E/DLAR 4145.7, Packaging of Materiel, dated 12 January 2004.
4. DoD 4000.25-M, Defense Logistics Management System (DLMS), Volume II (Reporting of Supply Discrepancies), Mar 03.
5. DoD 7000.14-R, DoD Financial Management Regulation, volume 12, chapter 7, Mar 07.
6. MIL-STD-174E, Palletized Unit Loads, May 08
7. DLAD 4145.41/AR 700-143/AFI 24-210-IP/NAVSUPINST 4030.55A/MCO 4030.40A, Packaging of Hazardous Materials, dated 1 April 2010
8. DoD 4140.27-M, Shelf-Life Management Manual, May 03.
9. DTR 4500.9-R, Defense Transportation Regulation, Part II, Cargo Movement, Jun 08.

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10. DLAI 1506, DLA Packaging Program, Mar 10.

11. MIL-STD 129P, Military Marking for Shipment and Storage, dated 19 September 2007.

12. MIL-STD 2073-1D, Standard Practice for Military Packaging, dated 1999.

13. MIL-STD-1686C, ESD Control Program for Protection of Electrical and Electronic Parts, Assemblies, and Equipment (Excluding Electrically Initiated Explosive Devices), dated 2 May 1980.

14. DLAR 4155.24/AR 702-7/AFR 74-6/SECNAVINST 4855.5A, Product Quality Deficiency Report Program, July 93.

**B. PURPOSE.** This instruction:

1. Supersedes reference A2.

2. Implements reference A1 and establishes the DoD Stock Readiness Program, hereafter referred to as SR.

3. Prescribes instructions for care of supplies, including the inspection and reporting of condition and serviceability of materiel, and the scheduling, controlling, and reporting of packaging and other cost reimbursable actions in support of depot receiving operations, and uniform Care of Supplies in Storage (COSIS).

4. Charters the Defense Stock Readiness Group (DSRG) under the auspices of the Defense Logistics Agency (DLA) and Military Stock Readiness Coordinators (see Enclosure 1).

**C. APPLICABILITY AND SCOPE.** This guidance is applicable to HQ DLA, the Military Services, DLA Distribution, DLA Distribution Centers, and DLA Supply Centers (DSC)/Military Services Inventory Control Points (ICP). It applies to classes of supply that are managed by an ICP/DSC and stored at the DLA Distribution Centers, except Class V, Class VI, and Bulk Class III.

**D. DEFINITIONS** (See Enclosure 2 for the list of acronyms.)

1. Below Depot Level Repair Materiel. For purposes of this instruction, this refers to reparable materiel that is repaired only in field level repair shops. The materiel, as a general rule, is only sent as a customer return to a DLA Distribution Center for storage because it is serviceable, or if it is unserviceable, the field activity does not have the authority to dispose of it at field level.

2. Care of Supplies in Storage (COSIS). A program composed of a set of processes and procedures whose purpose is to ensure that materiel in storage is maintained in ready-for-issue condition or to prevent uneconomic deterioration of materiel. With proper COSIS, supplies and equipment in storage will be preserved and maintained in a issuable condition through inspection and actions taken to correct any forms of deterioration and to restore packaging to ready-for-issue (RFI) condition. COSIS includes the in-storage visual inspection, minor repair, preservation, and packing of materiel, and all intra-depot materiel movement to perform those tasks. Note: COSIS does not include the cost to repair the asset, unless minor repair is accomplished within the one-hour routine COSIS action.

a. Routine COSIS. Those COSIS activities such as cyclic inspections on materiel in storage required to detect deterioration of materiel and/or packaging, and minor repair. COSIS is funded by Net

Landed Cost (NLC) pricing and, in general, entails those actions necessary to validate the condition of the materiel, and/or packaging. Actions included in the NLC pricing are those completed within one-hour while at the storage location. Actions exceeding one-hour are reimbursable by the ICP/DSC. Re-warehousing materiel to perform corrective actions is included in reimbursable costs.

b. Reimbursable COSIS. Those COSIS activities such as preservation, and packing of materiel in storage resulting from COSIS inspections exceeding one-hour at the location is not funded under NLC and, in general, entails those actions necessary to correct the problems with the materiel, and/or packaging identified by the routine COSIS that exceeds one-hour. This includes the costs for any component parts required in performing minor repairs to repairable containers. This applies to materiel in storage, and includes both minor repairs and necessary packaging that will maintain the stored materiel in assigned materiel condition codes. Funding for this work is outside of the scope of the NLC pricing structure as defined in the Defense Working Capital Fund.

c. Visual Inspection. Visual inspections require the review of materiel in a given location and identify whether the packaging/packing has degraded. Except when the packaging has degraded, the DLA Distribution Center shall never unpack materiel to conduct a visual inspection.

3. Commercial Vendor – Privately owned and operated manufacturer or maintenance facility.

4. Consumable Materiel. For purposes of this instruction, consumable materiel is consumed in use, such as ammunition, paint, fuel, cleaning and preserving materials, surgical dressings, drugs, medicines, etc. or that lose their identity, such as spare parts, etc.

5. Defense Logistics Management System (DLMS). A broad base of business rules, to include uniform policies, procedures, time standards, transactions, and data management, designed to meet DoD requirements for total logistics support. Founded upon American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 Electronic Data Exchange (EDI), DLMS supports Extensible Markup Language (XML) and automated information technology including radio frequency identification, linear bar coding, and 2-dimension symbology. DLMS will be expanded to support emerging enterprise business capabilities such as; data sharing, object-oriented user interfaces, and increased use of web-based technology, as appropriate.

6. Depot Level Repair (DLR) Materiel. For purposes of this instruction, repairable materiel sent to a depot to be repaired at that depot or other site, or stored at a DLA Distribution Center awaiting entry into the maintenance or repair cycle at the direction of the managing ICP.

7. Kind, Count, Condition (KCC):

a. Kind: There are two forms of determining the 'Kind' of materiel; (1) An inspection of the bare item verifying the part-number against the assigned National Stock Number (NSN), or (2) A verification that the documentation corresponds with the identification label in accordance with MIL-STD-129 marking requirements.

b. Count: A count of the total number of items.

c. Condition: An inspection verification of the general physical appearance of all packages or verification of the characteristics of the bare item.

8. Major End Items (MEI). For purpose of this instruction, a MEI is a final combination of end

products that is ready for its intended use; that is ships, tanks, launchers, aircraft, etc.

9. Major Repair. Repair actions taken by the DLA Distribution Center on equipment and/or packaging that is within the DLA Distribution Center's capabilities and exceeds one-hour in duration per NSN storage location. This includes rewarehousing actions to move materiel to preservation, packaging, packing and marking (PPP&M) workstation to perform the corrective action. This generally exceeds the one-hour timeframe established for routine COSIS actions. Examples are relabeling of more than 150 line items, repairing wood boxes or crates, replacing/resealing barrier bags, etc.

10. Minor Repair. Repair actions taken by a DLA Distribution Center on equipment and/or packaging that is within the DLA Distribution Center's capabilities and does not exceed one hour in duration per NSN storage location. Examples may include replacement of tapes or labels, replacing humidity indicators, minor repairs to containers, etc.

11. Net Landed Cost (NLC). The acronym used by DLA Distribution for the yearly recurring core mission work performed by DLA Distribution for its customers and includes Receipt/Issue/Transshipment processing, Storage, 1st and Second Destination Transportation and is billed to our customers on a rate driven basis.

12. Organic Vendor. Government owned and operated manufacturer or maintenance facility.

13. Packaging. The elements of packaging are defined in reference A3.

14. Product Quality Deficiency Report (PQDR) SF 368. A PQDR is a customer's feedback, which identifies materiel quality deficiencies. PQDRs are used to document, investigate and purge defective materiel from the supply system in accordance with Reference 14.

15. Secondary Items. For the purpose of the instruction, a secondary is an item, component, and spare part, which has not been classified as an end item.

16. Serviceable. The item can be used as is (Condition Codes "A" through "D").

17. Stock Readiness. A DoD program involving the tasks needed to assure that the proper condition of materiel in storage is known and reported, that the condition is properly recorded, and that the materiel is properly provided with adequate packaging protection to prevent any degradation to lower condition codes. Stock Readiness concerns itself with the in-storage inspection, minor repair, and packaging aspects associated with these efforts. Stock Readiness includes the elements of COSIS plus the functions related to the receipt, identification, classification, and packaging of materiel during the receipt process (referred to herein as the KCC). KCC means to inspect that the correct item was received/inspected, the correct quantity was received/inspected and the condition of the materiel's packaging is appropriate to the condition code assigned. Stock Readiness excludes those actions that fall under the area of general warehouse care and depot maintenance, including the use of proper storage aids, identification of materiel/storage locations, and rewarehousing actions.

18. Supply Condition Codes (CC). Condition of the materiel during receipt, storage and issue (see Enclosure (3) for definitions of all supply condition codes.

19. Supply Discrepancy Report (SDR) SF 364 (depicted in Enclosure (4)). A manual form or its electronic equivalent is used to report a supply discrepancy and to document reimbursable work discovered

during receiving operations. WebSDR (<https://www.daas.dla.mil/websdr/>) is linked to Defense Automatic Addressing System Center (DAASC), which transmits data between the Service systems and WebSDR. DLA depots use the Distribution Standard System (DSS) to submit SDRs via WebSDR to DAASC. Types of discrepancies referred to in this instruction include:

a. Shipping (Item) Discrepancy (codes depicted in Enclosure (4)). Any variation in quantity or condition of materiel received from that shown on authorized shipping documents, e.g., DD Form 1348-1A or purchase order (PO). This includes incorrect and misdirected materiel, receipt of canceled requirements and improper or inadequate technical or supply documentation.

b. Packaging Discrepancy (codes depicted in Enclosure (4)). Any unsatisfactory condition due to improper, inadequate or inappropriate packaging and which causes the item, shipment or package to be vulnerable to loss, delay or damage or unnecessary expense to the U.S. Government, as in excessive packaging.

c. Latent Packaging Discrepancy. This type of SF 364 discrepancy is submitted for materiel found in storage with latent preservation and packaging discrepancies. These are to be used only for hidden packaging discrepancies that were not visible at time of receipt.

20. Storage Quality Control Report (SQCR) - DD Form 1225. A manual form or its electronic equivalent used to document and request approval of reimbursable work associated with special inspections and reimbursable COSIS actions. When prepared in the DSS under DLMS, the SQCR is transmitted to DAAS for forwarding to the applicable Service/Agency system. At this time, only DLA has fully implemented the DLMS interface. Pending DLMS implementation, the SQCR will be transmitted via email or fax.

21. Unserviceable. The item requires repair before it can be used (Condition Codes "E" through "G").

22. Visual Inspection. Visual inspections require review of the materiel and to identify whether the packaging/packing material has degraded.

**E. PROCEDURES.** Procedures are divided into the following sections; i.e., Receiving Operations, COSIS, Special Inspections, Packaging Incident to Shipment, and Disposal Release Orders (DRO). Enclosures (7) through (9) include Service unique procedures in addition to the basic procedures.

**1. Receiving Operations.** Costs for operating receiving operations are included in NLC. DLA Distribution Center's will conduct SR receiving operations as follows:

a. **Receipt of New Procurements and Materiel Returned from Commercial Repair in Condition Code (CC) 'A'** (Materiel Shipped from Commercial Vendors/Suppliers)

(1) Determine the materiel condition and completeness to the extent possible by performing a KCC inspection.

(a) Identify the item by comparing the NSN and/or part number on the supply documentation against one bare item when the contract requires destination inspection. Inspect for MIL-STD-129 markings. See E.1.a.(d) for source inspection requirements.

[1] Per MIL-STD-130 certain materiel may not be physically marked or tagged due

to the lack of marking space or when marking or tagging would have an adverse effect on the materiel's composition. These items are required to be marked in accordance with MIL-STD-129, in which a part number can be validated using WebFLIS to verify the materiel.

(b) Ensure the appropriate count is received by comparing the quantity and unit of issue against the supply documentation.

(c) Ensure the materiel is in CC 'A' by comparing the condition of the pack with the contractual requirements. If discrepancies are noted, place the materiel in storage in CC 'L' and submit a SDR in accordance with reference A4.

(d) Identify the item by comparing the NSN and/or part number on the supply documentation against the unit pack identification label when the contract requires source inspection by comparing this data with Federal Logistics Information System (FLIS) or the appropriate ICP Data File. Inspect for MIL-STD-129 markings.

(2) Inspect Packaging. Ensure that the unit pack is appropriate to the level of packaging specified by checking the applicable contract in the Electronic Document Application (EDA) website at <http://eda.ogden.disa.mil/>. The packaging requirements in the DSS shall be used if no requirements are specified in the contract. If no requirements exist in DSS, use the Inventory Control Points (ICP) Packaging Data File (see <https://headquarters.dla.mil/j-3/j-334/stockreadiness.asp>) or the FLIS. If there are no packaging requirements available during the receipt process, notify the local Packaging Specialist or DLA Distribution Packaging Specialist and continue the receipt process and place the materiel in storage in c/c 'A'. For destination inspection, open one unit pack to verify correct packaging specified by checking the applicable contract. If the materiel is protected by a heat-sealed barrier bag, do not open the barrier to identify the bare item. To determine if the materiel is in the proper barrier bag, the barrier bag may be embossed with the material specification, such as, MIL-PRF-121, MIL-PRF-131, MIL-PRF-81705 (ESD) or MIL-DTL-117. For items where Source inspection is specified in the contract, do not open the unit pack unless there is a reason to suspect that the packaging is substandard or damaged.

(a) If the materiel is packaged appropriately, place the materiel in storage in CC 'A'.

(b) If a packaging discrepancy is noted, prepare a packaging SDR using the appropriate screens in the DSS, WebSDR or complete a Standard Form (SF) 364 (see Enclosure 4) in accordance with reference A4, and place the materiel in CC 'L' and await disposition by the ICP, unless it meets the exceptions noted in paragraph E.1.a(2)(c) (page 6, herein). (Supply and Packaging Discrepancy Codes are noted in 4.). In the remarks section of the SF 364 there shall be a detailed description/explanation of the specific contractual packaging requirement that was not satisfied. This information should include the specific packaging discrepancy; i.e., Method of Preservation does not conform to the contract requirements. The contract number and the cost (labor and material) to resolve the discrepancy must always be included.

[1] The ICP will provide disposition electronically or the hard copy SF 364 will be annotated in Block 23 by the managing ICP as approved or disapproved with corrective action. If the ICP authorizes the DLA Distribution Center to perform the corrective action, the DLA Distribution Center will charge the appropriate Internal Order Number (assigned by DLA Distribution). Disposition may be electronically transmitted to the DLA Distribution Center by the use of WebSDR or email. Emails with disposition are not the preferred method of responding to the DLA Distribution Center. After completing the corrective action, the DLA Distribution Center will close the SDR in

DSS.

[2] If the DLA Distribution Center does not receive disposition instructions within 55 calendar days of submitting the SF 364, refer the problem to the DLA Distribution Center SR coordinator to follow-up with the ICP. Then, if disposition is not received within 30 calendar days, report to the DLA Distribution SR coordinator for further action.

(c) If a reusable container is required, verify that the materiel is packed in the specified container or an authorized/approved alternate pack. The Optional Procedural Indicator (OPI) will define if an alternate container is permitted or the Special Packaging Instruction (SPI) will provide alternative container requirements. The OPI may be found on the ICP packaging websites. If there is a question about the packaging, contact the appropriate ICP as noted in the web site: <https://headquarters.dla.mil/j-3/j-334/stockreadiness.asp>. Place the materiel in CC "L".

(d) For DLA-managed materiel only, if the materiel received by the DLA Distribution Center has Pre-positioned Materiel Receipt (PMRD), no other discrepancies DLA Distribution Center are noted, is a Secondary Item and the cost to correct the discrepant packaging is less than \$300; the DLA Distribution Center may perform the correction without further authorization from the ICP and receipt the materiel in the appropriate Serviceable condition code. The DLA Distribution Center must submit an informational SF 364 to the DSC/ICP. For DLA-managed materiel, Clothing and Textile commodity, the DLA Distribution Center will receipt materiel as above, but the threshold costs are less than \$500.

(e) If an item is identified as Electrostatic Discharge Sensitive (ESDS), ensure that proper precautions are taken to maintain the integrity by conducting the inspection at an approved ESD workstation.

(f) If an item is identified as a shelf-life material, ensure there is 85% of the shelf-life remaining during receipt processing. Follow additional procedures defined in reference A.8.

**b. Receipt of Materiel other than Condition Code 'A' Shipped from a Maintenance Facility.** Perform KCC as noted in paragraph E.1.a., except place the materiel in the CC specified on the serviceability tag; i.e., CC 'G' (Unserviceable, Incomplete, Missing Parts). This materiel must be packaged as defined in the Service unique requirements (see Enclosures 7-9). If materiel is being returned from maintenance, ensure the serviceability tag required to be completed by the maintenance activity is attached to the materiel. If no tag is attached, the DLA Distribution Center is not authorized to complete the tag data and must request from maintenance personnel.

**c. Receipt of Materiel Shipped from Military Services Organizations.** (Materiel Shipped from the Services that is being returned for Repair or is Excess (repairables and/or consumables or Materiel Shipped from an Organic Vendor and/or Military maintenance facilities).

(1) Determine the materiel condition and completeness to the extent possible by performing KCC inspection. Inspect the materiel using the procedures defined in paragraph E.1.a.(2) (see page 5). If the materiel is packaged in an unopened vendor pack, inspect the packaging for deterioration. Inspect for MIL-STD-129 markings. If no discrepancies are noted, place the materiel in storage in CC 'A'.

(2) If the package shows evidence of having been opened and is C/C 'A' through 'D' and is not in its' original vendor pack, open the package if not identified as an ESDS item and proceed as

noted below. If the item shows evidence of being an ESDS item, ensure package is opened at the proper ESDS workstation. If the materiel is determined to be serviceable, and is in the appropriate package, close/seal the packaging at the ESDS workstation in accordance with MIL-HDBK 1686 and place the materiel in storage in the appropriate serviceable CC. To determine if the materiel is in the proper barrier bag, the barrier bag may be embossed with the material specification, such as, MIL-PRF-121, MIL-PRF-131, MIL-PRF-81705 (ESDS) or MIL-DTL-117.

(a) Identify the item by comparing the NSN and/or part number on the supply documentation against the bare item identification label (if present) and compare this data with the FLIS or appropriate ICP Database File. If the item does not have an identification label, compare the part number against the appropriate data using FLIS or ICP database files. If the packaging data is not available by the ICP, use the packaging data in DSS or FLIS.

(b) If the DLA Distribution Center can determine that the item is incorrectly identified, correct the discrepancy, prepare an 'information only' Shipping SDR in accordance with reference A4, and post the receipt to record in its appropriate CC.

(c) If the DLA Distribution Center cannot identify the item or determine the materiel condition, receipt the materiel in CC 'K' and prepare a Shipping SDR requesting ICP assistance. Ensure the SDR reflects a complete description of the current condition of the item, e.g. if the item is improperly packaged, include in the remarks a description of how it is packaged and if packaging is new or used in good condition or damaged. Photos of the discrepancy are recommended and may be transferred to the ICP via email or WEBSDR.

(d) If the materiel received is in a supply condition other than what is annotated on the receipt documentation, prepare an 'information only' Shipping SDR in accordance with reference A4 for misrepresented supply condition. Post the receipt to record and place the materiel in storage in the applicable condition code. (see Enclosure (3)).

(e) If the materiel has a packaging discrepancy with no shipping discrepancies noted, and is a Secondary Item and the cost to correct the discrepant packaging is less than \$300, the DLA Distribution Center must submit a Packaging 'information only' SDR (SF 364), perform the corrective action without further authorization from the ICP/Owner and receipt the materiel in the appropriate Serviceable CC. PMRD is not required. The \$300 threshold rule includes the total cost of the discrepancy per receipt document. This rule applies throughout the document where the \$300 threshold is defined.

(f) If the materiel has a packaging discrepancy with no shipping discrepancies noted, and is a Secondary Item and the cost to correct the discrepant packaging is greater than \$300, the DLA Distribution Center must submit a Packaging SDR (SF 364) to the ICP. Place the materiel in CC 'K' pending disposition instructions from the ICP.

[1] The ICP will provide disposition electronically or the hard copy SF 364 will be annotated in Block 23 by the managing ICP as approved or disapproved with corrective action. If the ICP authorizes the DLA Distribution Center to perform the corrective action, the DLA Distribution Center will charge the appropriate Internal Order Number (assigned by DLA Distribution Center). Disposition may be electronically transmitted to the DLA Distribution Center by the use of WebSDR or email. Emails with disposition are not the preferred method of responding to the DLA Distribution Center. After completing the corrective action, the DLA Distribution Center will close the SDR in DSS.



(g) If the materiel has a packaging and shipping discrepancy, prepare a packaging discrepancy and annotate the appropriate discrepancy code for the shipping discrepancy. Place the materiel in CC 'K' pending disposition instructions from the ICP.

[1] If the ICP does not authorize the DLA Distribution Center to perform corrective action, then the ICP will concurrently provide disposition instructions for the materiel.

[2] If the DLA Distribution Center does not receive disposition instructions within 55 calendar days of initiating the SDR, refer the problem to the DLA Distribution Center SR monitor to follow-up with the ICP. Then, if disposition is not received within 30 calendar days, report to the DLA Distribution SR monitor for further action.

(3) If the ICP packaging data file requires the use of a reusable container, proceed as follows:

(a) Inspect the container to determine that it is the correct container and that it is serviceable. If the container is different from that required by the ICP, or if the container is unserviceable, prepare a packaging SDR in accordance with reference A4, and request the correct container from the Service or DLA container reclamation program/site.

(b) Open the shipping container and identify the item by comparing the NSN listed in FLIS for the part number marked on the item with the NSN listed on the supply documentation. Do not open sealed barrier bags unless there is visible damage or evidence of tampering. If the item is incorrectly identified, prepare an 'information only' shipping SDR.

(4) If the item is identified as a Major End Item, receipt item in the appropriate CC. If PMRD is not available accept the Item in CC 'K', and prepare a Packaging SDR for ICP disposition. If the depot has a Military Interdepartmental Purchase Request (MIPR) in place to perform PPP&M on Major End Items, then perform the required preservation and receipt the materiel in the appropriate CC.

(5) For materiel received from an Organic Repair/Service Maintenance Facility that requires the DLA Distribution Center to preserve and/or package the item, follow the inspection procedures in E.1.a.(1) (see page 6) except that if the materiel has a discrepancy, place materiel in CC 'K' and await disposition from the ICP. Preserve and package the materiel using the ICP packaging requirements and the procedures defined in E.1.c.(2) (see page 7).

**d. Receipt of Stock Transfer Order (STO).** Identify the item by comparing the NSN and/or part number on the supply documentation against one bare item by comparing this data with FLIS or the appropriate ICP Data File. Inspect for MIL-STD-129 markings. When the receiving DLA Distribution Center receipts the STO and there is a packaging discrepancy, the DLA Distribution Center shall take corrective action and submit a SDR (SF Form 364) to the directing ICP and a copy to the shipping DLA Distribution Center. For Service-owned materiel, the DLA Distribution Center must submit the SF Form 364 for disposition. If approved to repackage the STO, the Service shall provide reimbursable funding.

**2. COSIS Inspections.** Through the SR program, DLA Distribution Center's will survey the condition of the materiel's packaging at a frequency determined by the Type of Storage (TOS) code assigned to the materiel or the frequency provided to a unique materiel commodity. If the materiel is

visibly deteriorated, the DLA Distribution Center's will document the findings to the ICP via Routine COSIS procedures below. COSIS inspections will be performed on all items in storage with a demand less than 500 per year. The DLA Distribution Center's will promptly repair any minor packaging deterioration detected as a result of the surveillance outlined in Table 1. Work should be completed within 90 calendar days of the date of receiving ICP approval and all required packaging materials and containers are available. Financial responsibility for repairs to materiel and packaging due to damage in storage will be assigned in accordance with reference A5. In general, the minimum levels of packing to be observed in the SR program are as follows unless specified in a Special Packaging Instruction (SPI):

<u>TYPE MATERIEL</u>	<u>TYPE STORAGE</u>	<u>MATERIEL CONDITION CODE</u>	<u>REUSABLE CONTAINER REQUIRED?</u>	<u>LEVEL OF PACKING (MINIMUM)</u>
CONSUMABLE	OUTSIDE	ALL CODES	NO	A
CONSUMABLE	INSIDE	SERVICEABLE	NO	MINIMAL
REPARABLE	OUTSIDE	ALL CODES	-- *	A***
REPARABLE	INSIDE	ALL CODES	YES*	B***
REPARABLE	INSIDE	SERVICEABLE	NO	B**
REPARABLE	INSIDE	UNSERVICEABLE	NO	MINIMAL

**TABLE 1. MINIMUM LEVELS OF PACKING**

\* If a reusable container is specified in the ICP Packaging Data File, it is the only approved container, unless an alternative was provided in the SPI. If alternate packaging information is not provided, the DLA Distribution Center must submit a packaging waiver/deviation request to the managing ICP Packaging Office who may provide approval or alternative method in writing. The DLA Distribution Center should initiate the request by FAX, E-mail or telephone call.

\*\* If packaging is adequate/good condition Level B or Minimal packing, then do not repack.

\*\*\* If containers are not immediately available, the DLA Distribution Center will order the required containers, package the materiel using Military Preservation with Minimal Military Packing and store the materiel inside until the reusable containers become available.

**a. Routine COSIS.** COSIS inspections are included in the NLC rate and shall, as a minimum, consist of a visual survey of the materiel and any corrective action not to exceed one-hour per NSN per storage location. If the corrective action exceeds the one-hour, reimbursement by the ICP is required and the procedures outlined in paragraph E.2.b. (see page 11) must be followed. Cyclic inspections and control of shelf-life items will be accomplished as prescribed in paragraph 4 (see page 12).

(1) The stored materiel will be inspected for conformance with the applicable storage serviceability standards outlining the frequency of inspection as noted in Table 2. The DSS is programmed to generate the depot's monthly workload using Table 2 criteria.

<b>TYPE OF STORAGE</b>	<b>FREQUENCY (MONTHS)</b>
CONTROLLED HUMIDITY	60

CONTROLLED TEMPERATURE	30
NONCONTROLLED TEMPERATURE	24
SHED STORAGE	12
OPEN STORAGE	6
<b>TYPE OF MATERIEL</b>	
SHELF-LIFE MATERIEL	SEE REF. A.8
HAZARDOUS/FLAMMABLE	6

**TABLE 2. Frequency of Inspections**

(2) The surveillance of materiel (See reference A.8 for surveillance procedures of shelf-life materiel) shall consist of the following:

(a) Inspect the exterior pack for deterioration and/or marking. Inspect reusable containers, including any that have humidity indicators, in accordance with container guidance published by the ICP, via ICP Packaging Data Files.

(b) Inspect materiel for rust or corrosion, opened hatches, opened doors, leaking fluids, flat tires, torn or missing tarps, etc.

[1] Major repairs requiring maintenance action; i.e., leaking fluids, excessive rust or corrosion, will require submitting a DD Form 1225 to the ICP for disposition. Follow the procedures outlined in E.2.b (see page 9).

(c) Materiel requiring minor repair will be corrected on-the-spot within the one-hour time-frame. If discrepancies beyond minor repair are noted, the DLA Distribution Center will report them to the ICP for reimbursable COSIS in accordance with paragraph E.2.b.

[1] Minor on-the-spot repairs may include remarking, closing hatches and doors, replacing tarps, etc. Purchase of new tarps for Major End Items will require a reimbursable COSIS action.

(3) All non-compliant Wood Packaging Material (WPM) identified during routine COSIS inspections shall be remediated at time of shipment and charged to Net Landed Costs. DLA Distribution Center Form 1225's shall not be submitted for disposition or reimbursable expenses to remediate WPM.

#### **b. Reimbursable COSIS**

(1) When a DLA Distribution Center identifies an item for reimbursable COSIS work, the DLA Distribution Center will place the materiel in CC 'J', prepare a DD Form 1225, SQCR for each item in each CC, and forward those forms to the appropriate ICP <https://headquarters.dla.mil/j-3/j-334/stockreadiness.asp>. Refer to Enclosure (6) for instructions on completing the DD Form 1225. DLA Distribution Center's refer to the Stock Readiness DLA Distribution Training manual for instruction on completing the DD Form 1225 via DSS. Refer to the DLMS manual Vol II (reference A.4) for communication of the SQCR via transaction using the DLMS Supplement 842S/Q. Severity

of the packaging and/or asset deterioration noted will be indicated on the DD Form 1225 in Block 35 as follows:

(a) Critical - Materiel is in immediate danger of deteriorating to a lower condition classification. The bare item shows evidence of corrosion, an ESDS item is exposed to the elements, etc.

(b) Major - Materiel is deteriorating and is likely to be in a lower condition classification at the next COSIS inspection. The packaging is no longer providing protection to the materiel due to torn barrier bag, small amounts corrosion on the bare item is visible, wooden crates/boxes require repair, etc.

(c) Minor - Materiel is not in the packaging specified by the ICP.

(2) When a DLA Distribution Center prepares the DD Form 1225, ensure Block 32 is completed with the cost to return the materiel to an issuable condition. Costs based on weight and cube has been provided by DLA Distribution (J8) to the DLA Distribution Center's for use in determining costs to correct the packaging or labeling.

(3) After the ICP reviews the item, they will return the DD Form 1225 to the DLA Distribution Center with disposition. Disposition may be to repackage/label the item or forward for disposal.

(4) Once the DLA Distribution Center receives disposition instructions from the ICP on a CC 'J' item, corrective action must be performed within ninety (90) calendar days.

(5) Upon completion of the authorized reimbursable COSIS, the DLA Distribution Center performs the action and closes the SQCR (DD Form 1225). Transmission of the DD Form 1225 to the Services should be generated in DSS, scan the completed DD Form 1225, attach to an email for and forward to the ICP. The DLA Distribution Center may FAX if scanner and email access is not available. FAX DSN numbers and E-mail addresses are identified at <https://headquarters.dla.mil/j-3/j-334/stockreadiness>. On a monthly basis, the DLA Distribution Center should query DSS to ensure close out has occurred. Where supported, the SQCR will be transmitted via the Defense Automatic Addressing System (DAAS) under DLMS.

**3. Special Inspections.** Special inspections are reimbursable in accordance with reference A1 and result from a Safety of Use (SOU) message, an Aviation Safety Action Message (ASAM), a Safety of Flight (SOF) message, Critical Safety Item (CSI), Critical Item Identification Code (CIIC) or a special request from the ICP. Special requests may include item data queries/changes, quantity/unit of issue changes, NSN changes, changing condition codes by contract number, etc. A special inspection may also be requested by the ICP as a result of receiving a PQDR from the customer. All work that the DLA Distribution Center's complete will be automatically generated via FLIS updates or directed by the ICP. SQCRs are not required for FLIS generated changes/updates. Enclosures (7) through (9) list Service unique requirements.

a. When the DLA ICP submits a Stock Screening Request (SSR), EBS is used to transmit the SSR under DLMS using DLMS Supplement 842C/I. When the Service ICP submits a SSR, an email is forwarded to the DLA Distribution Center for action pending implementation of the DLMS transaction interface. Refer to reference A.4 for DLMS procedures.

(1) When the DLA Distribution Center receives an email SSR, a Special Inspection

Request (SIR) workload must be built in DSS by the DLA Distribution Center. The DLA Distribution Center must also record the inspection results on a DD Form 1225 and forward to the owner and/or ICP. Transmission of the DD Form 1225 to the Services should be generated in DSS, scan the completed DD Form 1225, attach to an email for and forward to the ICP. The DLA Distribution Center may FAX if scanner and email access is not available. FAX DSN numbers and E-mail addresses are identified at <https://headquarters.dla.mil/j-3/j-334/stockreadiness>

(2) When the DLA Distribution Center receives an SSR via the Enterprise Business System (EBS) (DLA-managed), the workload is automatically generated in DSS. The DLA Distribution Center must record the inspection results in DSS and forward to the DSC/ICP.

d. Time frames for completing COSIS actions by the DLA Distribution Center for Special and Cyclic Inspections are defined in Table 3. ICP time frames for completing actions are in Table 4.

Type of Action/Inspection	Condition Code	Timeframe to Complete
Routine COSIS	ALL	30 days from 1 <sup>st</sup> of each Month based on TOS
Special Inspection Request (SIR)	ALL	As defined by the ICP
Action from Disposition received from ICP from SDR (SF 364)	L and Q items	3 days
Action from Disposition received from ICP from SDR (SF 364)	K items	10 days
Action from Disposition received from ICP from SQCR (DD Form 1225)	J items	90 days
Safety of Flight (SOF)	ALL	5 days
Critical Safety Item (CSI)	ALL	5 days

**Table 3. Distribution Depot Timeframes for Action**

Type of Action/Inspection	Condition Code	Timeframe to Complete
Responding to DD Form 1225 from Special Inspection Request (SIR)	ALL	55 days
Disposition to DLA Distribution Center responding to SDR	ALL	55 days

**Table 4. Inventory Control Point (ICP)/Owner Timeframes for Action**

**4. Cyclic Inspections.** Inspection and control of shelf-life items will be accomplished as prescribed in reference A.8. Cyclic inspections are conducted monthly as defined by the materiel expiration date and shelf-life code. At the beginning of each month, the DLA Distribution Center will retrieve from DSS all cyclic inspections requiring inspection within that month. For example, if the shelf-life code is 'M' and requires an inspection every two-years, all locations with that materiel will list on the report. Below are minimum requirements for inspections of Type I and II materiel. Specific instructions shall be adhered to as defined in reference A.8.

a. Type I non-extendible. For Type I non-extendible shelf-life items, materiel shall be

downgraded from condition codes A to B to C to H in accordance with the time frames in Reference A.8.

b. Type II extendible. For Type II extendible shelf-life items, materiel requiring visual inspection should be inspected six months prior to the inspection test date. Materiel requiring laboratory testing shall be tested nine months prior to the inspect/test date, while the item is still in CC 'A'. Prior to testing, the Quality Status List (QSL) shall be checked to determine if the item has already been tested and extended. For materiel requiring laboratory testing which is stored at an intermediate or retail-level supply activity, the storage activity may test materiel locally in a certified lab or contact the managing ICP shelf-life focal point for a list of approved certified labs. Based on the results of the inspection or test, the following actions will be taken:

(1) When the materiel is inspected or tested and passes, based on the results, a new inspect or test date and appropriate condition code shall be applied. Materiel will be extended from the date of the inspection or test.

(2) Codes 'B', 'C', or 'J'. If the materiel cannot be tested while it is still in CC 'A', this materiel shall be allowed to migrate to CC 'B', 'C', or 'J', until the laboratory test results or disposition instructions are received. When the laboratory test results or disposition instructions are received, the materiel shall be placed in the appropriate supply condition code.

c. Cyclic inspections that take less than one (1) hour per NSN per location are performed under NLC. Inspections that take more than 1 hour per NSN per location are reimbursable by the ICP or owner.

**5. Packaging Incident to Shipment.** The DLA Distribution Center's shall, at their expense, repair deterioration of packaging discovered at the time of shipment that was not recommended to the ICP during receipt processing/inspection (via a SF 364) or during a COSIS inspection (via a DD Form 1225).

#### **6. Disposal Release Orders (DRO)**

a. When a DRO is received for a partial quantity of materiel in storage, the DRO will be filled with the poorest quality stock at the DLA Distribution Center or as directed by the ICP. Prime candidates for selection are materiel in improper packaging, deteriorated packaging, oldest date of pack, and materiel stored outside. Per reference A1, this work is reimbursable on an actual cost basis from the ICP.

b. Materiel destined for disposal actions will not be subject to COSIS. Normally, no DLA Distribution Center labor or material will be expended to correct packaging discrepancies, except as needed for hazardous materials to comply with applicable regulations, or to comply with specific ICP instructions.

c. When materiel destined for disposal is packed in long-life reusable containers, the DLA Distribution Center will contact the owning ICP before completing the DRO to determine if the ICP wants to retain the containers. If the ICP directs the DLA Distribution Center to pull the assets from the containers, the depacking work is cost reimbursable.

d. All related work and costs will be annotated on the DD Form 1225 and forwarded to the ICP.

#### **7. Reusable Container Reclamation Program**

a. Each DLA Distribution Center shall ensure short and long life reusable containers are available for items requiring reusable containers when identified by the ICPs packaging requirements at no cost to the owner.

b. Materiel will not be stored or shipped in unserviceable containers. Each installation will operate an active container reclamation program. This will allow the maximum availability and reuse of special design containers and other reusable containers and packaging materials used to package reparable items. Minor refurbishment of containers shall be accomplished whenever deterioration is detected. Minor refurbishment of containers includes but is not limited to those actions such as replacement of seals, hardware, humidity indicators, desiccant, skids, minor corrosion removal, and spot painting to include stenciling. Reusable containers requiring repair beyond minor refurbishment shall be replaced. Containers will be requisitioned as necessary for non-priority shipments when the required container is determined to be unavailable by the ICP.

c. Excess reusable containers need to be reported to the appropriate Service Container Reclamation Program Manager as defined in the Services' web sites below:

- (1) Navy/Marine Corps: <https://tarp.navsisa.navy.mil/crrc>
- (2) Air Force: <https://recon.wpafb.af.mil/>
- (3) Army Email to: LOGSAPSCC.crp.TYAD@us.army.mil

## **8. SR Reimbursable Expenditures**

a. Each Fiscal Year the ICPs will provide funding documents to the DLA Distribution for the projected reimbursable workload. A separate document may be provided for each type of recurring work such as Packaging SDRs, COSIS, and Special Inspections. The ICPs will provide instructions outlining restrictions on funding, the scope of work authorized by each document, and the amount of funding authorized. Approved documentation is required per reference A5.

b. The DLA Distribution (J-8) will provide monthly reports to each ICP SR coordinator for each DLA Distribution Center for which the ICP has provided a MIPR. The reports will indicate by Internal Order Number (ION) the specific type of work and the depot that performed the work. The DLA Distribution will provide the report monthly to the ICPs.

c. In general, the guidelines in Table 5 apply to determining the reporting requirements related to the Stock Readiness Program.

Stock Readiness Expenditures			
Area	Category	Packaging	Report
Contract Receipts	Supply Discrepancy Report (SDR)	All	SF 364 form
Service Receipts (Returns)	Supply Discrepancy Report	< \$300.00	'Information Only' SF 364
Service Receipts (Returns)	Supply Discrepancy Report	> \$300.00	SF 364 form and suspend in CC 'K'
Service Receipts (Returns)	SDR when no PMRD is the ONLY discrepancy		'Information Only' SF 364
	SDR when no PMRD with other discrepancy		SF 364 form and suspend in CC 'K'
Storage	Routine COSIS	< 1 Hour	Included in Net Landed Cost (NLC)
	Reimbursable COSIS	> 1 Hour	DD 1225 form
	Reimbursable – Special Inspections	N/A	DD 1225 form
Shipment	Above Minimal Pack, QUP/Unit of Issue Changes Asset Disposal / Container Recovery	All	DD 1225 form

**Table 5. Stock Readiness Expenditures**

## F. RESPONSIBILITIES

1. The Deputy Executive Director for Logistics Policy, Headquarters (HQ) DLA will:
  - a. Establish procedures for the SR program for DLA and Military Service-managed materiel, and keep this instruction current.
  - b. Review DLA Distribution and the depot's packaging and warehousing procedures and systems for compliance with this instruction.
  - c. Assure coordination of SR concerns with affected HQ DLA principal staff elements and the Military Services' Headquarters.
  - d. Verify SR program status through on-site evaluation and review of depot performance reports. Issue revised program policy and procedures necessary to maintain effective program execution at acceptable levels.
  - e. Maintain the DLA SR web site (<https://headquarters.dla.mil/j-3/j-334/stockreadiness.asp>)
  - f. Maintain the Defense Stock Readiness Charter (DSRG).
2. The Commander, DLA Distribution (formally Defense Distribution Center) will:
  - a. Designate a SR coordinator who will be responsible for all matters pertaining to SR at the