**Army Regulation 702–7–1**

**Product Assurance**

# Reporting of Product Quality Deficiencies within the U.S. Army

**Headquarters**
**Department of the Army**
**Washington, DC**
**13 April 2020**

**UNCLASSIFIED**

# *SUMMARY of CHANGE*

AR 702–7–1
Reporting of Product Quality Deficiencies within the U.S. Army

This major revision, dated 13 April 2020—

- Assigns new responsibilities to program executive officers, program managers, materiel developers, life-cycle management commands, inventory managers, and Engineering Support Activities (para 1–4).

- Updates information to better explain the process and requirements of product quality deficiency report management (chap 2).

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# *Army Regulation 702–7–1

**Effective 13 May 2020**

**Product Assurance**

## Reporting of Product Quality Deficiencies within the U.S. Army

By Order of the Secretary of the Army:

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*General, United States Army*
*Chief of Staff*

Official:

KATHLEEN S. MILLER
*Administrative Assistant*
*to the Secretary of the Army*

**History.** This publication is a major revision.

**Summary.** This regulation prescribes policies and processes for reporting product quality deficiencies within the Army.

**Applicability.** This regulation applies to the Regular Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve, unless otherwise stated.

**Proponent and exception authority.** The proponent of this regulation is the Deputy Chief of Staff, G–4. The proponent has the authority to approve exceptions or waivers to this regulation that are consistent with controlling law and regulations. The proponent may delegate this approval authority, in writing, to a division chief within the proponent agency or its direct reporting unit or field-operating agency, in the grade of colonel or the civilian equivalent. Activities may request a waiver to this regulation by providing justification that includes a full analysis of the expected benefits and must include formal review by the activity's senior legal officer. All waiver requests will be endorsed by the commander or senior leader of the requesting activity and forwarded through their higher headquarters to the policy proponent. Refer to AR 25–30 for specific guidance.

**Army internal control process.** This regulation contains internal control provisions in accordance with AR 11–2 and identifies key internal controls that must be evaluated (see appendix B).

**Supplementation.** Supplementation of this regulation and establishment of command and local forms are prohibited without prior approval from the Deputy Chief of Staff, G–4 (DALO–MPS), 500 Army Pentagon, Washington, DC 20310–0500.

**Suggested improvements.** Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to the Deputy Chief of Staff, G–4 (DALO–MPS), 500 Army Pentagon, Washington, DC 20310–0500.

**Distribution.** This publication is available in electronic media only and is intended for the Regular Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve.

**Contents** (Listed by paragraph and page number)



*This regulation supersedes AR 702–7–1, dated 15 July 2009.



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### Glossary

## Chapter 1
## Introduction

### 1–1. Purpose
This regulation sets forth policies and responsibilities for reporting and processing product quality deficiencies within the Army. It complements but is not subordinate to Army Regulation (AR) 702–7, a Joint regulation, which covers reporting of product quality deficiencies across the Department of Defense (DOD) components. For cross-component product quality deficiency reports (PQDRs), AR 702–7 states that DOD Components may use processes in AR 702–7, Enclosure 2 or component specified instructions which are prescribed herein. The Army will process all PQDRs in accordance with this regulation. The purpose of the PQDR program is to remove defective nonconforming and/or dangerous items from the Army inventory; provide remediation to the unit for defective items; determine the root cause of the defective item to prevent its reoccurrence; and collect failure and nonconformance data for trend analysis to continuously improve system performance. The PQDR program establishes official product quality feedback channels to the designated Army national inventory control point (NICP) responsible for the product design, procurement and distribution of items and materiel identified as defective, and provision of a means for correcting deficiency.

### 1–2. References and forms
See appendix A.

### 1–3. Explanation of abbreviations and terms
See the glossary.

### 1–4. Responsibilities
*a.* Assistant Secretary of the Army (Acquisition, Logistics and Technology) and program executive officers (PEOs)/program managers (PMs)/materiel developers (MATDEVs) will—

(1) Process and remediate their own product deficiencies.

(2) Report deficient materiel discovered during the acquisition life cycle.

(3) Use data from the PQDR program to improve weapon systems and spare/repair part quality.

(4) Participate in the appropriate life-cycle management command (LCMC) PQDR programs to fulfill these responsibilities.

*b.* The Deputy Chief of Staff (DCS), G–4 is responsible for the Army PQDR program. The Commanding General (CG), Army Materiel Command (AMC), on behalf of the DCS, G–4, will—

(1) Manage the PQDR program.

(2) Establish methods and metrics for managing the PQDR program, and ensure internal controls are effective.

(3) Provide technical guidance for the Army PQDR program.

(4) Provide an Automated Information System (AIS) for submitting, processing, controlling, and resolving PQDRs.

(5) As needed, conduct periodic audits of the PQDR program to ensure compliance with this regulation.

(6) AMC LCMCs, on behalf of CG, AMC will—

*(a)* Process, control, and resolve PQDRs.

*(b)* Implement a PQDR program to fulfill these responsibilities and will perform audits necessary to support this program.

*(c)* Use data from the PQDR program to improve weapon systems and spare and/or repair part quality.

*c.* Commanders, Army commands, Army service component commands, direct reporting units, PEOs, PMs, MATDEVs, and the Commanding General, Installation Management Command will ensure that users report defective items discovered during receipt, storage, and use of materiel.

*d.* Inventory managers listed in DA Pam 708–2 will identify a point of contact (POC) for receiving PQDRs, safety-related, warranty, and counterfeit parts reports.

*e.* Engineering Support Activities (ESAs) will—

(1) Investigate PQDRs.

(2) Recommend corrective actions.

(3) Participate in the LCMC PQDR program to fulfill these responsibilities.

*f.* Each organic industrial base depot and/or arsenal will—

(1) Repair and fix reported deficiencies via PQDR against items that the depot and/or arsenal repaired, overhauled, or remanufactured and are determined to be a result of production operations as appropriate.

(2) Report all deficient materiel discovered during production operations.

*g.* Army contracting activities will ensure that contracting actions associated with processing PQDRs are completed. These actions will include (but are not limited to)—

(1) Obtaining consideration for nonconforming materiel.

(2) Communicating with the contractor.

(3) Suspending acceptance of nonconforming materiel.

### 1–5. Record management (recordkeeping) requirements

The records management requirement for all record numbers, associated forms and reports required by this regulation are addressed in the Army Records Retention Schedule-Army (RRS–A). Detailed information for all related record numbers, forms, and reports are located in ARIMS/RRS–A at https://www.arims.army.mil. If any record numbers, forms, and reports are not current, addressed, and/or published correctly in ARIMS/RRS–A, see DA Pam 25–403 for guidance.

## Chapter 2
## Program Policy and Courses of Action

### 2–1. Policies

*a. Applicability.* This regulation applies to U.S. Army organizations that receive, store, maintain, produce, remanufacture, issue, or use Army purchased supply, parts, components, and equipment. It covers material product defects and deficiencies discovered on both new and depot maintenance remanufactured parts, components, and end items found to be deficient any time after Government acceptance. Defective items that are received through the normal supply system and direct vendor deliveries at any echelon within the Army, will be processed and reported to the appropriate NICP in accordance with policies and processes of this regulation. Covered products include— major weapon systems, secondary/consumable/repairable items, spare and repair parts, items supplied as Government furnished property, materiel bought or repaired through contract methods, such as: contractor logistics support, prime vendor, materiel covered by a contractual or implied warranty, or deficiencies in any other items not specifically excluded by the following:

*b. Exclusions.* The following are exclusions from this PQDR regulation:

(1) Subsistence/Food: report in accordance with AR 30–22.

(2) Medical: report in accordance with AR 40–61.

(3) Depot maintenance interservice support agreements made by Army Organic Industrial Base Depots with other services or components are not covered by this regulation, but will be managed in accordance with the agreement itself.

*c. Contractors using the Department of Defense supply chain.* Contractors that receive deficient items requisitioned from a DOD supply chain, in support of an Army contract, will use this program to report product quality deficiency reports (PDQRs). The contracting officer will include requirements in statements of work and performance work statements that provide for contractor participation in the PQDR program. When such requirements are not included in existing contracts, the contracting officer's representative will prepare PQDRs.

*d. Continuous improvement.* All stakeholders are encouraged to improve their PQDR program. Activities may tailor the process within their scope of control. Continuous improvement should be consistent with the following guiding principles:

(1) Reduce cycle time.

(2) Reduce reporting burdens.

(3) Improve warfighter compensation.

(4) Improve investigation resource usage.

(5) Increase materiel improvement opportunities (for example, value engineering).

(6) Improve supply chain decisionmaking.

(7) Improve contractor restitution of Army losses due to nonconforming materiel. Any changes to the PQDR program must be coordinated with AMC prior to implementation.

*e. Program management.* Each Army organization acting as NICP will assign the following management officials to manage the program, and will identify these individuals to AMC annually and immediately upon change of responsibility:

(1) The accountable manager will be a senior quality subject matter expert who is accountable for the NICP's PQDR program. They are authorized to direct the PQDR program, and will be the focal point for communications regarding the program to their commander and higher headquarters.

(2) The program administrator will oversee the day-to-day operations of the PQDR program, such as backlog resolution, training, PQDR assignment, resolving frustrated PQDRs, and so forth.

*f. Restitution.*

(1) *Contractor provided new/repaired items.* The contracting officer in coordination with the NICP will pursue restitution, in accordance with the contract terms and conditions, from contractors that provide defective parts. The NICP will search the DOD inventory to identify, remove, and return these parts to the responsible contractor for replacement or other appropriate consideration. The contracting officer will maintain an accounting of requests for contractor restitution and provide status of such requests.

(2) *Organic depot maintenance overhaul/remanufactured items.* Restitution does not apply to these items.

## 2–2. Courses of action

The following actions apply to all PQDRs reported to the Army for Army managed materiel. PQDR actions consist of the following phases: Discover and Report; Triage; Investigate, Mitigate Risks, and Take Corrective Action; and Close. Figure 2–1 depicts the actions of the program stakeholders.

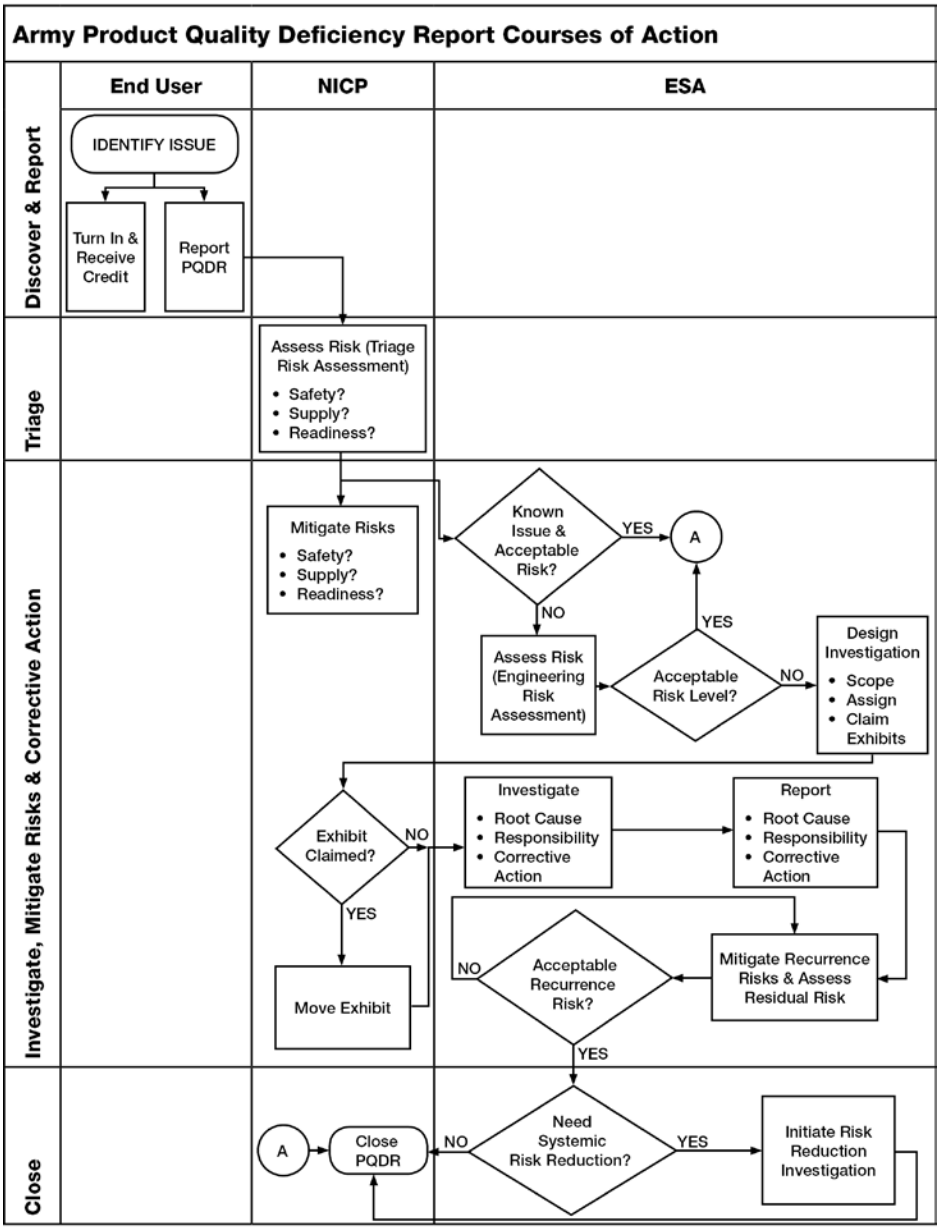


**Figure 2–1. Army Product Quality Deficiency Report Courses of Action**

*a. Discover and report.*

(1) Any activity discovering a defective or failed item will file a PQDR using the AIS. Hereafter, this regulation calls the activity that submits the PQDR "the originator."

(2) The originator will not report normal wear and tear, poor and/or negligent maintenance, unintended and/or incorrect use, neglect, intentional damage, and/or storage issues as a PQDR.

(3) The originator will report the following:

*(a)* Items that have critical, major, or minor nonconformances and/or latent defects detected after Government acceptance, regardless of where the Government representative inspected and accepted the product. Specifically, items that fail at its initial use, or very closely after its initial use, report as PQDRs.

*(b)* Items that fail during a known warranty period. The originator will examine available materiel receipt documentation, for example, DD Form 1348M (Single Line Item Requisition System Document, DOD (Mechanical)), DD Form 250 (Material Inspection and Receiving Report), and so forth and item markings to determine if the item is under warranty. Report these items as warranty claim actions.

*(c)* Items that the originator finds, or suspects are counterfeit or an unauthorized and/or unapproved product substitution that is misrepresented as authorized or approved. Report these items as suspect counterfeit PQDRs.

*(d)* Items that fail prematurely and the originator suspects a potential reliability issue. These are reliability reports. Reliability reports differ from PQDRs in that they are exempt from the 100% credit requirement; these are not sent to another component when the Army is not the item manager.

*(e)* Items that the originator is recommending equipment or process improvements. These reports are equipment improvement recommendations. No exhibit will be required with these reports.

*(f)* Items having suspected safety issues with respect to the operational processes or maintenance practices of Army equipment. These reports are safety issues, and exhibits will not be required with these reports.

(4) The originator will categorize PQDRs and reliability reports as follows:

*(a)* Category (CAT) I: May cause death, injury, or severe occupational illness, or would cause loss or major damage to a weapon system, or would restrict the combat readiness of the using organization, or would cause an immediate production line shut down at an Army organic industrial facility.

*(b)* CAT II: Any deficiency that does not meet the standards for CAT I.

(5) The originator will tag the defective item with DD Form 1575 (Suspended Tag-Material), and DD Form 2332 (Product Quality Deficiency Report Exhibit).

(6) The LCMC logistics assistance representative, quality assurance specialist ammunition surveillance, unit technical inspector or an NICP designated agent will examine the item and will certify that the item appears defective and meets the conditions for reporting a PQDR.

(7) The originator will then turn in the defective item in accordance with AR 725–50. Items reported for quality or reliability reasons will be in condition code Q, warranty claims will be in condition code W, and suspected counterfeit will be in condition code L.

(8) The originator will submit the PQDR to the NICP identified by materiel category (MATCAT) position 1, in accordance with DA Pam 708–2. The originator will submit CAT I PQDRs within 24 hours of discovery, and CAT II PQDRs within 3 days of discovery.

(9) For items reported in paragraph 2–2*a*(3)(*a*), the NICP will provide a full credit when the originator can receive funds or immediate serviceable replacement item at no cost to the originator for Army managed items in condition code Q, L, or W, which are not free-issue. All other reports are excluded from receiving full credit. The NICP may later determine that credit should be provided for reports excluded from the up-front credit.

(10) The supply support activity will hold Army managed items for 45 days and other component managed items for 60 days. If Army managed items are not claimed after 45 days, the NICP will issue disposition instructions for condition code Q items. The NICP will coordinate with law enforcement to issue disposition instructions for condition code L items.

(11) The NICP or its designated agent may examine the exhibit to validate the defect(s) and reverse the compensation credits when there is no evidence of failure and then pay unserviceable credit. When there is a pattern of prior invalid reports, the NICP, or a designated investigation provider, will examine the exhibit and validate the defect(s). The NICP will take action to claim and move the required exhibit no later than 45 days from the turn-in date.

*b. Triage.*

(1) *Receipt Acknowledgement.* The NICP will acknowledge receipt of the CAT I PQDRs within 24 hours and CAT II PQDRs within 3 days.

(2) *Data review.* The NICP will review the provided data for completeness. If the report is incomplete, the NICP should obtain as much required data as practical.

(3) *National stock number.* If the item does not have a national stock number (NSN), the NICP will refer the part to the appropriate PM for cataloging.

(4) *Sources of supply.* The NICP will determine the source of supply. When the Army is the source of supply, the NICP will send the report to the cognizant ESA. When the Army is not the source of supply, the NICP will forward valid cross-component PQDRs to the source of supply in accordance with AR 702–7.

(5) *Safety issues.* The NICP will refer reported safety issues to the NICP's safety POC who will review all safety issues and may issue safety of flight, safety of use, and other messages alerting users of the safety risk in accordance with AR 750–6. Other actions may include— consulting with the PM/MATDEV, suspending usage of the item, or sending messages prohibiting certain operations or maintenance functions which pose an immediate risk of death or harm.

(6) *Warranty items.* If the originator identified the PQDR as a warranty claim, the NICP will notify the designated warranty coordinator to initiate a warranty claim action. The NICP will concurrently process the PQDR as follows to ensure risks are properly mitigated:

*(a)* The NICP will search databases in accordance with AR 700–139 to determine if a warranty exists.

*(b)* If the NICP finds a warranty, they will change the condition code to W, and notify the designated warranty coordinator to initiate a warranty claim action.

*(c)* The NICP will concurrently process the PQDR to ensure risks are properly mitigated, by holding CAT I PQDRs for no more than 24 hours and CAT II PQDRs for no more than 5 days.

(7) *Triage risk assessment.*

*(a)* The NICP will form a triage team consisting of the supply, maintenance, depot/arsenal, contracting, safety, and ESA representatives to conduct a triage risk assessment on PQDRs assigned to their organization. Any member of the triage team may recommend that the PQDR be investigated. If no member finds sufficient risk to recommend investigation then the PQDR will be processed as low risk. Each NICP with inputs from the triage team will develop risk assessment standard operating procedures (SOPs) that consider previous PQDRs, the item criticality, weapon system designators, weapon system essentiality, cost, acquisition advice codes, and other information necessary to determine safety, readiness, production, and supply chain impacts. The risk assessment SOP will establish risk levels based on impact and likelihood and will define ranges of acceptable risk. The SOP will establish processing priorities based on risk with higher risk items processed first. The SOP will not default to first in first out procedures.

*(b)* If the NICP identifies unacceptable safety risks, then the NICP will notify the safety POC, and the safety POC may issue safety of flight, safety of use, and other messages alerting users of the safety risk in accordance with AR 750–6.

*(c)* If the item manger identifies unacceptable supply chain risks, to include deficiencies that degrade safety, greatly reduce operation, or severely damage an end item, the NICP will—

1. Suspend the deficient items from use in accordance with AR 95–1 for Aviation, AR 75–1 and DA Pam 742–1 for Ammunition and Explosives, and AR 750–10 for all other items.

2. Take action to screen and remove these materiels from Army inventories and resume issuing stock when the residual risk is acceptable. When such materiels are recalled from Army inventories for quality/reliability reasons, additional PQDRs will not be required for materiel turned in as a result of the recall. These materiels will be appropriately tagged and turned in in accordance with the recall instructions.

3. Notify the contracting officer's representative and coordinate with the cognizant contracting officer to determine appropriate actions concerning ongoing deliveries under impacted contracts.

*(d)* For items causing readiness or production impacts, the NICP will act to expedite subsequent requisitions for replacement of the deficient items.

*(e)* The NICP will record risk mitigation actions required and the dates the actions were completed.

*(f)* The NICP may upgrade CAT II PQDRs if the risk assessment indicates risk not recognized by the originator. The NICP may downgrade CAT I PQDRs when the conditions resulting in a CAT I categorization are acceptably mitigated, and with approval of the appropriate risk acceptance authority. The NICP may downgrade CAT I PQDRs that are found by the triage team to be unsupported by the originator's rationale for the CAT I designation.

*c. Investigate.*

(1) *Open product quality deficiency report review.* The ESA will review all open PQDRs to determine if the PQDR is a known issue already under investigation. If so, these PQDRs will be included in the ongoing investigation. These PQDRs will remain open until the ongoing investigation is completed and will be closed using the findings of the ongoing investigation.

(2) *Engineering risk assessment.*

*(a)* The ESA will conduct an engineering risk assessment.

*(b)* Each ESA will develop risk assessment SOPs that consider previous PQDRs, open PQDRs, the item criticality, weapon system designators, weapon system essentiality, cost, acquisition advice codes, and other information necessary to determine safety, readiness, production, and supply chain impacts. These SOPs will identify how risk may be accepted and designate positions authorized to accept risk. Personnel holding these positions are the risk acceptance authority.

*(c)* If the ESA identifies safety risks not identified during the triage risk assessment, then the ESA will notify the safety POC and other relevant stakeholders to take appropriate actions.

(3) *Failure mode review.*

*(a)* The ESA will determine if the PQDR reports a known or unknown failure mode. The AIS will allow the ESA to record and retrieve known failure modes.

*(b)* If the PQDR reports a known failure mode, the ESA finds additional investigation is not warranted, and the risk acceptance authority finds the residual risk acceptable, then the ESA will return the PQDR to the NICP for closure. The NICP will close the PQDR using the same failure codes determined in the previous investigation, and indicate an investigation was conducted because it was a known failure mode.

*(c)* If the ESA determines the issue is a new failure mode then the ESA will investigate high and medium risk PQDRs. CAT I PQDRs are by definition high risk; therefore, the ESA will investigate them.

(4) *Engineering Support Activity investigation determination.* If the PQDR does not require an investigation, then the ESA will note that it was low risk and not investigated. The ESA will then return the PQDR to the NICP who will close the PQDR.

(5) *Investigation process.*

*(a)* The investigation will characterize the reported deficiency as a nonconformance (critical, major, or minor), design deficiency, and/or procurement deficiency.

*(b)* At a minimum, the investigation will address the following: the defect cause, the defect responsibility, and if the defect was a systemic or an isolated occurrence.

*(c)* Each ESA and investigation providers will develop SOPs for their investigation processes. At a minimum, the SOP will provide the following procedures: how to match defects to previously reported defects, and how to investigate technical drawing errors, design issues, production process issues, manufacturing issues, maintenance issues, unintended use, neglect, intentional damage, storage issues, and incidents with no evidence of failure.

*(d)* The ESA will define the investigation requirements, determine if exhibits are required, and identify needed investigation support.

*(e)* If the PQDR requires an investigation, and clear photographic evidence or reliable field test data are available, the ESA may use this evidence to avoid transporting exhibits to the investigation site. Where practical and for PQDRs with low risk the ESA will avoid transporting exhibits.

*(f)* If exhibits are required, the ESA will inform the NICP that the exhibits are required and provide contact information for the recipient. The ESA will request the required exhibit no later than 45 days from the turn-in date. The NICP will take actions to move the exhibit to the designated recipient.

*(g)* If the ESA and the warranty coordinator both require exhibits, the ESA will coordinate with the warranty coordinator. However, ESA requirements to investigate CAT I PQDRs will be the highest priority when exhibits are limited.

*(h)* As exhibits permit, the ESA may engage multiple investigation providers.

*(i)* The ESA and investigation providers will ensure the investigation activities are prioritized based on risk, available resources, and the potential to further improvement of the weapon system.

*(j)* If exhibits are lost or not received within the timelines provided in the exhibit disposition instructions, the ESA will make the best possible conclusion using available evidence and close the PQDR. If additional evidence or lost exhibits become available and such evidence is related to a high risk or systemic problem, the PQDR may be amended or a risk reduction investigation (RRI) may be initiated.

(6) *Closing report findings.*

*(a)* The ESA will submit a closing report using the AIS.

*(b)* If the cause and/or responsibility cannot be determined, the investigator will explain why in the closing report.

*(c)* If the ESA engages multiple investigation providers, then each investigation provider will submit its findings in accordance with its agreement with the ESA. The ESA will integrate the findings of all investigations into a single final report. The ESA will include copies of all investigation provider findings in the final report. If the ESA delegates responsibility, an investigation provider may prepare the final report.

*d. Mitigate risks and take corrective action.*

(1) The ESA will recommend corrective actions to mitigate unacceptable risks and will determine residual risk. As appropriate, the ESA will consider the cost and benefit of mitigating risks.

(2) The ESA will determine if the investigation identified any systemic problems and will notify the appropriate stakeholder.

*(a)* The ESA will report design deficiencies to the appropriate program manager.

*(b)* The ESA will report procurement deficiencies to the cognizant contracting officer.

(3) The ESA may create an RRI regarding systemic issues requiring further risk mitigation. The ESA will forward the RRI to the appropriate stakeholder(s) for action.

(4) If the corrective actions recommend hardware modifications then the ESA will propose modification work orders (MWOs) and/or engineering change proposals (ECPs) in accordance with AR 750–10. The ESA will record the MWO and/or ECP control numbers in the PQDR record, if the information is available when the record is closed.

(5) The ESA will notify the contracting officer of the results of the investigation, any mitigating actions recommended, and any MWOs or ECPs.

*e. Close.*

(1) The ESA in consultation with the triage team will recommend closing the PQDR when the residual risk of the reported issue recurring is an acceptable level, they have identified assignable causes, or the cause cannot be determined, and they have initiated corrective/preventive actions to preclude recurrence of the deficiency, when required.

(2) The ESA may recommend closing the PQDR before all corrective/preventive actions are complete or for systemic issues where immediate risk is acceptable. When the ESA recommends this closing strategy, the ESA must document and control corrective actions as a corrective action requirement, which will remain open until corrective and/or preventive actions, are complete.

(3) The NICP will review the investigation findings and reports to ensure all required data are in the record and that all coded data elements are consistent with narrative data.

(4) As necessary, the NICP will provide final disposition instructions for exhibits.

(5) The NICP will close the PQDR when the following conditions are met:

*(a)* For PQDRs requiring validation, the NICP validated the deficiency, and if required, made credit adjustments.

*(b)* Immediate recurrence risk is an acceptable level approved by the risk acceptance authority.

*(c)* The ESA has identified root cause unless the cause cannot be determined and assigned responsibility.

*(d)* The ESA has identified corrective/preventative actions.

*(e)* The record documentation is complete.

*(f)* All safety notifications are complete.

*(g)* The investigating activities have disposition instructions for exhibits.

(6) The NICP and ESA will process PQDRs to closure in no more than120 calendar days for CAT I and 180 days for CAT II. CG AMC may reduce these timelines to meet mission requirements.

*f. Reduce residual risk.*

(1) RRIs support the continual improvement of the weapon system. RRIs are initiated when the field recommends equipment improvements or safety issues or the ESA discovers systemic issues in PQDR investigations. The PM/MATDEV is responsible for working these issues and the PM/MATDEVs will—

*(a)* Prioritize appropriately.

*(b)* Close the RRI when they are no longer considered an issue.

*(c)* Select investigators to research and investigate the issue.

*(d)* Provide the resources for the research and investigation.

*(e)* Arrange with the NICP for exhibits to be provided for the investigation if needed.

(2) There are no time standards specified for RRI resolution. Therefore, RRIs may be closed at any time, or held open indefinitely.

*g. Manage and control product quality deficiency report program.*

(1) Each accountable manager will ensure adequate internal control of their PQDR program.

(2) The accountable manager will analyze and audit PQDRs to detect patterns of invalid claims.

(3) The program administrator will monitor PQDR processing and assignments to ensure PQDR closure within the specified standards.

(4) The ESA will monitor investigations to ensure PQDR closure within the specified standards.

## 2–3. Automated information system requirements

*a. Report data requirements.*

(1) *Point of contact Information.* The originator will provide its own contact information, contact information for the requisitioning activity due a credit, and contact information for the exhibit holder.

(2) *Identifying information.* The report will include the following:

*(a)* The AIS will generate a unique 12-character report control number (RCN) that includes the reporting activity Department of Defense Activity Address Code (DODAAC), 2-digit year of the report, and a report serial number which increments sequentially from 0001 to 9999, starting 1 January running through 31 December using DODAAC YEAR sequence format.

*(b)* The turn-in document number and the requisition document number.

*(c)* The item NSN, contract number, vendor commercial and government entity (CAGE) code, manufacturer CAGE code, next higher assembly NSN. Reports regarding equipment improvements, operational procedures, or maintenance practices do not require contract numbers, requisition/document numbers, or other shipping documents to be processed.

*(d)* If available, serial, lot, and/or batch numbers.

*(e)* Date manufactured, repaired, or overhauled and the CAGE code of the responsible organic or contractor facility.

(3) *Category and symptoms.*

*(a)* The originator will report the PQDR category with rationale for the selecting CAT I. The originator will report all factors (such as safety, readiness, and/or production) that apply.

*(b)* The originator will use the fault codes in DA Pam 738–751 or DA Pam 750–8, and document the defect symptoms.

*(c)* The ESA and/or the PM may identify additional codes to supplement the DA Pam 738–751 or DA Pam 750–8. The AIS system will implement any additional codes and provide a list of all symptom codes implemented.

*(d)* The originator will report the date they discovered the deficiency and the operating time at failure.

(4) *Warranty information.* If the originator has paperwork indicating a warranty, they will submit a copy of the DA Form 2407 (Maintenance Request) with the PQDR. If the originator finds markings, nameplates, and other identifying information, validating the item is under warranty, they will submit photographs of the warranty information with the PQDR in accordance with DA Pam 750–8.

(5) *Quantity report*. The originator will report the quantity received, inspected, deficient, and in stock.

*b. Closing report data elements.*

(1) *Point of contact information.* The investigation report will include contact information for the lead investigator.

(2) *Report identification.* The AIS will generate a unique investigation control number that includes the investigating activity DODAAC, year of the report, and a report serial number.

(3) *Cross reference.* The investigation report will cross reference the associated PQDR using the RCN.

(4) *Report findings.* The investigation report will include the following findings:

*(a)* The stakeholder responsible for the deficiency.

*(b)* The deficiency cause and symptoms. The report will provide data elements to describe symptoms and defects separately.

*(c)* When the PQDR reports a deficient end item that contains spare/repair parts, and the investigation determines that a spare/repair part is the cause of the failure, then the investigator will report all spare/repair parts that were the cause of the failure.

*(d)* If the investigation provider finds evidence of corrective actions by the contractor or the Government, the investigation provider will report these corrective actions in their findings.

*(e)* Negative findings of investigation regarding contracts, production, manufacturing, and/or engineering.

*(f)* Corrective action recommendations.

*(g)* Risk mitigation activities completed and residual risk assessment.

*(h)* Follow on investigation requirements.

*c. General automation requirements.*

(1) *Forms.*

*(a)* The AIS is the system of record for the PQDR program.

*(b)* The AIS may automate DD Form 1575 and/or DD Form 2332.

(2) *Database.*

*(a)* The AIS will provide a relational database that can store and retrieve PQDR reports, deficiency symptoms, deficiency causes, known failure modes, investigation results, corrective action requirements, risk reduction investigations, equipment improvement recommendations, and other information necessary to improve the quality and reliability of Army weapon systems and parts.

*(b)* To the maximum extent feasible, the AIS will store data in structured data elements and minimize free text data elements.

*(c)* The ESA and/or the program manager may define additional report and/or investigation data necessary for diagnosing the system in question and will provide a data dictionary describing the required data.

*(d)* Periodically, the ESA will review data elements frequently coded using the "other" value to determine if added code values are required.

*(e)* The AIS system will link to catalog databases and automatically retrieve data, which are available through the Federal logistics information system, Army master data file and other catalogs.

*(f)* The AIS will retrieve warranty information recorded in accordance with AR 700–139.

(3) *Routing.*

*(a)* At a minimum, the AIS system will provide a look-up capability to decode MATCAT position 1. The AIS system may automatically route the PQDR based on the MATCAT position 1.

*(b)* At a minimum, the AIS will allow the NICP to retrieve catalog data indicating the source of supply. The AIS system may automatically route the PQDR based on the source of supply.

*(c)* Where other catalog data permits, the AIS may automatically route the PQDR to the appropriate organization where the program administrator will assign the work to individuals.

*(d)* The AIS will allow the program administrator to assign and reroute work to ensure that workloads are balanced.

(4) *Business intelligence.*

*(a)* The AIS will allow users to query the database to retrieve PQDR data.

*(b)* The AIS will allow designated users to save queries both publicly and privately.

*(c)* The AIS will support interfaces with other Army systems.

*(d)* The AIS will automate reports to ensure management control provisions are enforced.

*(e)* The AIS will allow users to retrieve PQDR and investigation transaction histories.

*(f)* The AIS will output PQDR report and investigation data in the SF 368 (Product Quality Deficiency Report) and DLA Form 1227 (Product Quality Deficiency Investigation Report). The AIS may provide additional output formats.

(5) *Access control and security.*

*(a)* The AIS will provide access controls that allow the program administrator to designate processing roles.

*(b)* The AIS will provide security features that will protect proprietary and other sensitive information.

## Appendix A

## References

### Section I

### Required Publications

This section contains no entries.

### Section II

### Related Publications

A related publication is a source of additional information. The user does not have to read it to understand this publication.

**AR 11–2**
Managers' Internal Control Program

**AR 25–30**
Army Publishing Program

**AR 30–22**
Army Food Program

**AR 40–61**
Medical Logistics Policies

**AR 75–1**
Malfunctions Involving Ammunition and Explosives

**AR 95–1**
Flight Regulations

**AR 385–10**
The Army Safety Program

**AR 700–139**
Army Warranty Program

**AR 702–7**
Product Quality Deficiency Report Program

**AR 702–11**
Army Quality Program

**AR 725–50**
Requisition, Receipt, and Issue System

**AR 750–6**
Army Equipment Safety and Maintenance Notification System

**AR 750–10**
Army Modification Program

**DA Pam 25–403**
Guide to Recordkeeping in the Army

**DA Pam 708–2**
Cataloging and Supply Management Data Procedures for the Army Enterprise Material Master

**DA Pam 738–751**
Functional Users Manual for the Army Maintenance Management System–Aviation

**DA Pam 742–1**
Ammunition Surveillance Procedures

**DA Pam 750–8**
The Army Maintenance Management System (TAMMS) Users Manual

**Defense Transportation Regulation 4500.9–R, Part II**
Cargo Movement (Available at https://www.ustranscom.mil/.)

**DODI 4140.67**
DOD Counterfeit Prevention Policy

## Section III

## Prescribed Forms

Unless otherwise indicated, DA forms are available on the APD website https://armypubs.army.mil/. DD forms are available from the ESD website https://www.esd.whs.mil/directives/forms.

**DD Form 1575**
Suspended Tag-Material (Prescribed in para 2–2*a*(5).)

**DD Form 2332**
Product Quality Deficiency Report Exhibit (Prescribed in para 2–2*a*(5).)

## Section IV

## Referenced Forms

Except where otherwise indicated below, the following DA Forms are available on the APD website https://armypubs.army.mil/. DD Forms are available on the ESD website https://www.esd.whs.mil/directives/forms. SFs are available on the U.S. General Services Administration (GSA) website: http://www.gsa.gov/portal/forms/type/sf.

**DA Form 11–2**
Internal Control Evaluation Certification

**DA Form 2028**
Recommended Changes to Publications and Blank Forms

**DA Form 2407**
Maintenance Request

**DD Form 250**
Material Inspection and Receiving Report

**DD Form 1348M**
Single Line Item Requisition System Document, DOD (Mechanical)

**DLA Form 1227**
Product Quality Deficiency Investigation Report (https://www2.dla.mil/officialforms/pages/)

**SF 368**
Product Quality Deficiency Report

## Appendix B

## Management Control Evaluation Process

### B–1. Function

The function covered by this checklist is the Army PQDR program.

### B–2. Purpose

To assist commanders and managers within the PQDR program in evaluating key management controls. The following checklist is not intended to cover all controls, but does cover those controls considered to be the most important in evaluating the overall effectiveness of the PQDR program.

### B–3. Instructions

Answers to the following questions must be based on the actual testing of controls (for example, direct observation, timeline analysis, interviewing, and sampling). Those answers that indicate deficiencies must be explained, to include corrective action taken, with supporting documentation. These controls must be evaluated at least once every year. Certification that the evaluation has been conducted, must be accomplished, in accordance with AR 11–2 and DA Form 11–2 (Internal Control Evaluation Certification) and submitted to AMC.

### B–4. Test questions

*a*. Are there SOPs in place to support the PQDR program policies and procedures?

*b*. Is the overall PQDR program adequately funded to ensure execution of the program?

*c*. Are units reporting Category I and Category II PQDRs within the prescribed timeframe: Cat I – 24 hours/Cat II – 3 days and using the appropriate categories?

*d*. Are units properly reporting PQDRs without a pattern of invalid reports?

*e*. Are exhibits being requested and processed in accordance with the prescribed timeframe?

*f*. Are investigations being conducted to ensure that deficiency causes and responsibility are correctly attributed?

*g*. Are all open PQDRs being tracked on a monthly basis to ensure timely processing in the prescribed timeframe?

*h*. Are PQDR database codes consistent with the supporting narrative?

*i*. Are appropriate actions to obtain restitution from contractors being taken? Are these actions tracked to closure?

### B–5. Supersession

This checklist replaces the checklist for the Army PDQR program published in AR 702–7–1, 15 July 2009.

### B–6. Comments

Help make this a better tool for evaluating management controls. Please submit comments to the DCS, G–4 (DALO–MMN), 500 Army Pentagon, Washington, DC 20310–0500.

## Glossary

### Section I

### Abbreviations

**AIS**
Automated Information System

**AMC**
Army Materiel Command

**AR**
Army Regulation

**CAGE**
commercial and government entity

**CAT**
Category

**CG**
commanding general

**DA**
Department of Army

**DCS**
Deputy Chief of Staff

**DD**
Department of Defense

**DLA**
Defense Logistics Agency

**DOD**
Department of Defense

**DODAAC**
Department of Defense Address Activity Code

**DODI**
Department of Defense Instruction

**ECP**
engineering change proposals

**ESA**
Engineering Support Activity

**LCMC**
life-cycle management command

**MATCAT**
materiel category

**MATDEV**
materiel developer

**MWO**
modification work order

**NICP**
National inventory control point

**NSN**
national stock number

**PDQR**
product quality deficiency report

**PEO**
Program executive officer

**PM**
program manager

**POC**
point of contact

**PQDR**
product quality deficiency report

**RCN**
report control number

**RRI**
risk reduction investigation

**SF**
standard form

**SOP**
standard operating procedure

## Section II

## Terms

**Acceptance**
The act of an authorized representative of the Government by which the Government, for itself or as agent of another, assumes ownership of existing identified supplies tendered or approves specific services rendered as partial or complete performance of the contract.

**Accountable manager**
Top management official appointed to oversee the strategic considerations of the LCMC's PQDR program and the focal point for communications regarding the program.

**Automated information system**
A combination of computer hardware, computer software, data, or telecommunications that performs functions such as collecting, processing, storing, transmitting, and displaying information.

**Closure**
PQDRs are closed when the item manager agrees that the investigation into the assignable cause has been completed; corrective actions, and preventive actions to preclude recurrence of the deficiency, have been identified; credit and disposition information for the materiel have been provided; and exhibit disposition has been initiated.

**Corrective actions**
Those actions taken to correct the defective items reported and all other defective items that have been supplied or are in the supply pipeline. They include repair, replacement, alert notifications, and segregation, screening, and disposition of existing product. They also include all actions that can affect restitution for the defective items, that is, credit, partial credit, refund, or service of a like kind.

**Counterfeit materiel**
An item that is an unauthorized copy or substitute that has been identified, marked, or altered by a source other than the item's legally authorized source and has been misrepresented to be an authorized item of the legally authorized source.

**Critical nonconformance**
A nonconformance that is likely to result in hazardous or unsafe conditions for individuals using, maintaining, or depending upon the supplies or services; or is likely to prevent performance of a vital agency mission.

**Defect**
Any nonconformance of a product characteristic with specified requirements.

**Design deficiency**
Any condition that limits or prevents the use of materiel for the purpose intended or required, where the materiel meets all other specifications or contractual requirements. These deficiencies cannot be corrected except through a design or specification change.

**Designated agent**
The designed agent is normally be a maintenance professional from the submitting organization vetted by the NICP to endorse a PQDR as being valid before submission.

**Engineering Support Activity**
The Military Department organization assigned responsibility and authority to perform and approve engineering and quality assurance actions necessary to evolve detail design disclosures for systems, subsystems, equipment, and components exhibiting attributes essential for products to meet specific military requirements. During the operational phase, it includes any engineering activity, the results of which would add to or alter the design of equipment in such a manner, or to such an extent, as to change its operational capabilities or its design attributes of performance, reliability, maintainability, and parts interchangeability, or to render it capable of alternative or additional use.

**Exhibit**
The item reported as being deficient, or a sample item, which represents the reported deficient condition, which can be analyzed to determine the possible cause of the defect.

**Government–owned product**
A product that is owned by or leased to the Government or acquired by the Government under the terms of a contract.

**Implied warranty**
Under a sales contract, whether written or oral, there is a guarantee that the item sold is merchantable and fit for the purpose intended. This guarantee arises by operation of law and is in addition to any expressed warranties that are provided at the time of sale.

**Latent defect**
A defect that exists at the time of acceptance but cannot be discovered by a reasonable inspection.

**Major nonconformance**
A nonconformance, other than critical, that is likely to result in failure of the supplies or services, or to materially reduce the usability of the supplies or services for their intended purpose.

**Minor nonconformance**
A nonconformance that is not likely to materially reduce the usability of the supplies or services for their intended purpose, or is a departure from established standards having little bearing on the effective use or operation of the supplies or services.

**National inventory control point**
The organizational element within a distribution system that is assigned responsibility for system-wide direction and control of materiel including such management functions as the computation of requirements, the initiation of procurement or disposal actions, the development of worldwide quantitative and monetary inventory data, and the positioning and repositioning of materiel.

**Objective evidence**
Evidence based upon the results of test or examination that a deficiency exists.

**Originator**
The stakeholder who discovers the defective materiel and initiates the deficiency report.

**Premature equipment failure**
Premature failures are limited to those failures occurring after the item has been placed in service or operations, but prior to expiration of a contractually prescribed warranty term/s and conditions/s or specified period of performance.

**Preventive actions**
Those actions taken to prevent or preclude recurrence of the deficiency. These include design/specification/drawing changes, changes to procurement technical data packages for future buys, issuance of quality assurance letters of instructions, notices to contractors, procedural changes, and process changes.

**Procurement deficiency**
Any unsatisfactory materiel condition which is attributable to improper, incorrect, ambiguous, omitted, or conflicting contractual requirements including the procurement document it references, or any problem condition due to technical requirements of materiel.

**Product**
Item, materiel, data, software, supplies, system, assembly, subassembly, or portion thereof that is produced, purchased, developed, or otherwise used by the Government.

**Product quality deficiency**
A defect or nonconforming condition detected on new or newly reworked Government-owned products, premature equipment failures, and products in use that do not fulfill their expected purpose, operation, or service due to deficiencies in design, specification, materiel, manufacturing, and workmanship (see "defect.")

**Product quality deficiency report**
The format used to record and transmit product quality deficiency data.

**Program administrator**
The program administrator is an LCMC official charged with overseeing the day-to-day operations of the LCMC's PQDR system and resolving issues and bottlenecks preventing the optimal performance of the PQDR system. LCMCs must appoint one program administrator but may appoint as many as needed.

**Quality deficiency data**
Information (based on objective evidence) provided by an activity concerning unsatisfactory new, newly reworked (Government or contractor) materiel, premature equipment failures, and products in use that does not fulfill their expected purpose, operation, or service. Of prime importance is the requirement for documentation that is based on direct examination, test, procedural review, and so forth.

**Report Control Number**
The control number assigned by the originating point in accordance with a prescribed format containing the originating point's DODAAC, calendar year, and sequential serial number.

**Residual risk**
The risk that remains after the handling (avoidance, transfer, or mitigation) responses have been selected. They also include minor risks that have been accepted and addressed.

**Reworked materiel**
Materiel which has been overhauled, rebuilt, repaired, reworked, or modified by a military facility or commercial facility. Such materiel will be considered newly reworked until it has been proven during actual system operation.

**Risk reduction investigation**
An investigation sponsored by the PEO/PM/MATDEV to resolve a systemic problem, safety issue or to implement an equipment recommendation for the purpose of improving the performance and/or reducing the cost of the weapon system. This type of investigation may be generated from a PQDR or submitted by the user.

**Suspect counterfeit**
Materiel, items, or products in which there is an indication by visual inspection, testing, or other information that it may meet the definition of counterfeit materiel provided herein (see DODI 4140.67)

**Warranty**
A written guarantee regarding the nature, usefulness, or condition an item furnished under a contract, issued to the Government by its manufacturer, promising to repair or replace it if necessary within a specified period of time.

## Section III

## Special Abbreviations and Terms

This section contains no entries.