

46.407 Nonconforming supplies or services.

(b)(S-90) DLA Distribution Centers shall correct nonconforming packaging or marking for receipts of DLA-owned materiel if the estimated costs of correction are \$1,000 or less. For more information, see [DLAI 4145.4, Stock Readiness \(https://issue-p.dla.mil/Published_Issuances/Stock%20Readiness.pdf\)](https://issue-p.dla.mil/Published_Issuances/Stock%20Readiness.pdf) and [TQ-2019-023, Packaging Threshold for DLA Owned Materiel - Waiver](#)

(<https://dlamil.dps.mil/sites/Acquisition/Shared%20Documents/Forms/AllItems.aspx?FolderCTID=0x01200080FADA3E9BBF764593CF2E25DC6FA477&id=%2Fsites%2FAcquisition%2FShared%20Documents%2FJ%2D71%2FPROCLTR%20Archive%2FPolicy%20Memos%20and%20Reports%20%2D%20varied%2FJ3%20Memorandum%20TQ%2D2019%2D023%2C%20Packaging%20Threshold%20for%20DLA%20Owned%20Materiel%20%2D%20Waiver%2010%2D29%2D19%2Epdf&parent=%2Fsites%2FAcquisition%2FShared%20Documents%2FJ%2D71%2FPROCLTR%20Archive%2FPolicy%20Memos%20and%20Reports%20%2D%20varied>). The waiver does not apply to any materiel owned by the military services, for which the threshold remains \$300. The DLA Distribution Center shall perform the corrections and send an informational SDR to the product specialist/packaging specialist, who will provide disposition instructions to the contracting officer. The contracting officer shall advise the contractor of the discrepancy and that the Government has corrected the packaging or marking. The contracting officer shall make a determination concerning appropriate reimbursement by the contractor for the Government's costs to correct the deficiencies. Upon determining that reimbursement is required, the contracting officer shall send a notice to the contractor.

(S-91) If the estimated costs of correction for receipts of DLA-owned materiel are more than \$1,000, the DLA Distribution Center shall send an informational SDR to the product specialist/packaging specialist, who will provide disposition instructions to the contracting officer. The contracting officer shall advise the contractor of the discrepancy and have the materiel returned to the contractor for correction/resubmittal; or, if there are urgent requirements, have the Government remediate the discrepancy at the contractor's expense. If the Government remediates the discrepancy, the contracting officer shall make a determination concerning appropriate reimbursement by the contractor for the Government's costs to correct the deficiencies.

(S-92) Contracting officers shall include procurement note C14 in solicitations and awards.

C14 Correction of Nonconforming Packaging or Marking (MAY 2020)

(1) The Government may correct nonconforming packaging or marking for receipts of DLA-owned materiel if the estimated costs of correction are \$1,000 or less. The contracting officer will advise the contractor of the discrepancy and that the Government has corrected the packaging or marking. The contracting officer will make a determination concerning appropriate reimbursement by the contractor for the Government's costs to correct the deficiencies. Upon determining that reimbursement is required, the contracting officer will send a notice to the contractor. Upon receipt of notice from the contracting officer, the contractor shall reimburse the Government for the costs incurred by the Government to correct the deficiencies.

(2) If the estimated costs of correction for receipts of DLA-owned materiel are more than \$1,000, the contracting officer will advise the contractor of the discrepancy and have the materiel returned to

the contractor for correction/resubmittal; or, if there are urgent requirements, have the Government remediate the discrepancy at the contractor's expense. If the Government remediates the discrepancy, the contracting officer will make a determination concerning appropriate reimbursement by the contractor for the Government's costs to correct the deficiencies. Upon determining that reimbursement is required, the contracting officer will send a notice to the contractor. Upon receipt of notice from the contracting officer, the contractor shall reimburse the Government for the costs incurred by the Government to correct the deficiencies.

If the Government corrects packaging or labeling discrepancies due to contractor noncompliance, the contracting officer shall request reimbursement of the associated corrective action costs. If a PQDR is due to contractor noncompliance, the contracting officer shall request repair, replacement, or a refund for the defective part, as determined most beneficial to the Government. If a contractor has repeated packaging or labeling discrepancies, contracting officers shall make appropriate determinations regarding whether the contractor should be considered for listing on the DCRL (see 9.100). The DLA Acquisition Operations Division will conduct a monthly data call on restitution status. On a quarterly basis, the DLA Acquisition Operations Division will give a compliance briefing to the Senior Procurement Executive.

(c) The contractor shall remedy supplies considered to be hazardous, as defined in FED-STD-313, that were damaged in transit or nonconforming to the preservation, packaging, packing, and marking. The product specialist/packaging specialist shall contact the contracting officer to have the contractor correct the damage or nonconforming packaging and, if appropriate, recoup the costs associated with the discrepancy, to include removal of hazardous material spills or leakage.

Parent topic: SUBPART 46.4 - GOVERNMENT CONTRACT QUALITY ASSURANCE