



DoD INSTRUCTION 4140.01

DoD SUPPLY CHAIN MATERIEL MANAGEMENT POLICY

Originating Component: Office of the Under Secretary of Defense for Acquisition and Sustainment

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Approved by: Ellen M. Lord, Under Secretary of Defense for Acquisition and Sustainment

Purpose: In accordance with the authority in DoD Directive (DoDD) 5134.01 and the July 13, 2018 Deputy Secretary of Defense Memorandum, this issuance establishes policy and assigns responsibilities for management of materiel across the DoD supply chain.

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This issuance applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this issuance as the “DoD Components”).

1.2. POLICY. The DoD:

- a. Operates DoD materiel management as a high-performing and agile supply chain responsive to customer requirements during peacetime and war while balancing risk and total cost.
- b. Uses DoD supply chain management to provide best-value materiel and services in support of rapid power projection and operational sustainment of U.S. forces as required by the National Military Strategy.
- c. Identifies, monitors, and assesses the security and potential disruptions within and outside of the DoD supply chain in order to mitigate risk to supply chain operations.
- d. Applies life-cycle management controls to guard against counterfeit materiel in the DoD supply chain.
- e. Gives preference to procurement of sustainable goods and services by using or supplying sustainable goods in accordance with DoD Instruction (DoDI) 4105.72.
- f. Optimizes resourcing for all elements of the DoD supply chain through collaboration between support providers and customers.
- g. Manages DoD investments to ensure they are sufficient for the life cycle of weapons systems, equipment, and major end items.
- h. Periodically conducts performance and cost evaluations of supply chain operations and inventory with the objective of ensuring that assets are available for use or reuse in the DoD supply chain to satisfy customer requirements.
- i. Maintains accountability, control, and DoD-wide visibility of materiel throughout the DoD supply chain, with the required level of physical protection and identification of the materiel at minimal cost.
- j. Applies the highest levels of accountability, control, visibility, protection, and identification to the stewardship of controlled inventory items (CII) such as nuclear weapons-related materiel (NWRM), components implementing critical program information, and critical components commensurate with the risk of materiel release.

k. Catalogs and controls, with an accountable record, all materiel recurrently used, bought, stocked, or distributed.

SECTION 2: RESPONSIBILITIES

2.1. UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND SUSTAINMENT (USD(A&S)). The USD(A&S) establishes DoD policy and develops implementing guidance in appropriate DoD issuances on all matters relating to DoD materiel management.

2.2. ASSISTANT SECRETARY OF DEFENSE FOR SUSTAINMENT (ASD(S)). Under the authority, direction, and control of the USD(A&S), the ASD(S):

- a. Develops and implements DoD materiel management and disposition policies, including policies for foreign excess personal property, in a uniform manner throughout the DoD supply chain.
- b. Establishes and maintains DoD supply chain materiel management procedures in DoD issuances, technical publications, and Defense Logistics manuals.
- c. Monitors the overall effectiveness and efficiency of the DoD materiel management systems and continually develops improvements.
- d. Oversees and approves the development, coordination, publication, and maintenance of technical procedures and the Defense Logistics manuals.
- e. Acts as the principal point of contact for all matters relating to the prevention, detection, reporting, and disposition of counterfeit materiel.
- f. Develops and implements supply chain risk management (SCRM) policies in coordination with the Under Secretary of Defense for Research and Engineering (USD(R&E)).

2.3. DIRECTOR, DEFENSE PRICING AND CONTRACTING (DPC). Under the authority, direction, and control of the USD(A&S), the Director, DPC:

- a. Develops procurement instructions and procedures to support this issuance, including appropriate contract language and reporting requirements to the Government-Industry Data Exchange Program (GIDEP) and law enforcement agencies.
- b. Establishes procurement procedures and guidance to prevent the acquisition of counterfeit materiel for secondary items in accordance with DoDI 4140.67 and Volume 3 of DoD Manual (DoDM) 4140.01.
- c. Establishes procurement policies, procedures, and guidance to support timely solutions to diminishing manufacturing sources and materiel shortages (DMSMS), including obsolescence.
- d. Establishes procurement policies, procedures, and guidance for the accountability and management of items of supply furnished to contractors as government furnished property in accordance with Part 245 of the Defense Federal Acquisition Regulation Supplement.

2.4. DIRECTOR, DEFENSE LOGISTICS AGENCY (DLA). Under the authority, direction, and control of the USD(A&S) and in addition to the responsibilities in Section 2.7, the Director, DLA:

- a. Prepares, coordinates, maintains, and publishes the Defense Logistics manuals and DoD supply chain materiel management technical procedure in accordance with this issuance, Volumes 1 through 12 of DoDM 4140.01, and the DLA publication system guidance.
- b. Implements the policies in this issuance consistent with the authority in DoDD 5105.22 and procedures in Volumes 1 through 12 of DoDM 4140.01.
- c. Revises all appropriate regulations and implementing procedures to ensure compliance with this issuance.

2.5. USD(R&E). The USD(R&E):

- a. Acts as the principal point of contact for the GIDEP.
- b. Provides GIDEP training and data services as required to allow users full system utility for reporting nonconforming materials, and for tracking and analyzing issues with suppliers and counterfeit materiel.
- c. Provides technical advice and assistance, as necessary, to the ASD(S) on matters:
 - (1) Involving the prevention, detection, and reporting of counterfeit materiel.
 - (2) Pertaining to the timely identification of technical solutions to DMSMS.
- d. Identifies and implements reduced barriers to entry for commercial technologies and non-traditional defense partners.
- e. Oversees the implementation of DoDI 5200.39, and in coordination with the DoD Chief Information Officer, oversees the implementation of DoDI 5200.44, and issues supporting guidance, as necessary, in support of this issuance.

2.6. UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF FINANCIAL OFFICER, DEPARTMENT OF DEFENSE. The Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense oversees the development and maintenance of guidance in Defense Logistics manuals on all matters relating to DoD accounting and financial management. This guidance is promulgated through DoD 7000.14-R and Deputy Chief Financial Officer policy.

2.7. DOD COMPONENT HEADS. The DoD Component heads:

a. Develop and implement materiel sourcing and acquisition strategies and processes that offer best-value selection among organic and commercial support alternatives and seek to minimize life cycle costs. The DoD Component heads:

(1) Develop acquisition or sourcing strategies that are supported by cost benefit analyses of the options to use organic or commercial sources.

(2) Maximize the use of existing government-owned inventory before seeking new commercial support on all contracts.

(3) Include inventory reporting in commercial support alternatives involving the contractor holding or managing government inventory.

b. Manage the accountability and reporting of:

(1) Operating materiel and supplies, to include materiel furnished to contractors as government contract property as defined in DoDI 4161.02.

(2) Materiel within production, manufacturing, repair, modification, overhaul, and testing functions performed at organic or private sector facilities or through public-private partnerships at those facilities.

c. Develop sourcing programs that promote quality and hardware reliability and assurance and prevent counterfeit materiel or unauthorized product substitution or modification.

d. Securely exchange information between materiel managers and acquisition managers to:

(1) Encourage coordinated sourcing and acquisition efforts.

(2) Provide timely, complete, and accurate data that promotes coordinated decision-making.

e. Integrate and synchronize end-to-end materiel distribution systems to meet customer requirements for authorized information and materiel consistent with DoDD 5158.04 and DoDI 5158.06.

f. Establish programs for monitoring and mitigating the risk of:

(1) Counterfeit materiel entering DoD supply chains.

(2) DMSMS, including obsolescence.

(3) Unauthorized supply chain activities, e.g., malicious insertion or intellectual property theft.

(4) Compromise of critical information and indicators associated with DoD supply chain material management.

2.8. SECRETARIES OF THE MILITARY DEPARTMENTS. In addition to the responsibilities in Paragraph 2.7, the Secretaries of the Military Departments:

- a. Implement the policies and guidance in this issuance consistent with the procedures in Volumes 1 through 12 of DoDM 4140.01.
- b. Comply with supporting DoD and Defense Logistics manual supply chain procedures.
- c. Require all appropriate regulations and implementing procedures be revised to ensure compliance with this issuance.

SECTION 3: PROCEDURAL GUIDANCE

3.1. OPERATIONAL REQUIREMENTS. The DoD Components will:

- a. Follow the procedures associated with materiel management processes in Volume 1 of DoDM 4140.01 for supply chain operations throughout the DoD supply chain.
- b. Manage cybersecurity risks to the DoD supply chain in accordance with DoDI 8500.01.

3.2. DEMAND AND SUPPLY PLANNING.

a. Through collaboration between support providers and customers, the DoD Components will:

(1) Conduct demand and supply planning. When conducting demand and supply planning:

(a) Address demand forecasting, requirements definition, and inventory level setting through the life cycle of an item of supply, starting with its initial sparing during provisioning.

(b) Maintain flexibility to respond to contingencies while minimizing DoD investment in weapons systems, equipment, and major end items.

(2) Precisely define requirements to optimize resourcing for all elements of the supply chain.

(3) Meet established support strategies, such as performance-based logistics strategies.

b. Volume 2 of DoDM 4140.01 describes the procedures associated with materiel management processes for demand and supply planning throughout the DoD supply chain, using enterprise resource planning systems and other automated solutions.

3.3. MATERIEL SOURCING.

a. The DoD Components will:

(1) Employ strategic sourcing and acquisition practices to provide life-cycle-support solutions that balance support goals, total supply chain costs, and performance factors.

(2) Include best-value selection among organic and commercial support alternatives in strategic sourcing and acquisition practices.

(3) Seek to minimize life cycle costs.

(4) Maximize the use of existing government-owned inventory before seeking new commercial support on all contracts and partnering agreements.

(5) In accordance with the procedures in Part 245.103-73 of the Defense Federal Acquisition Regulation Supplement, in all contracts where the contractor holds or manages government inventory, establish contract clauses that require the contractor to:

- (a) Regularly schedule (typically, semi-annually) inventory reporting.
- (b) Ensure that inventory levels meet program requirements.
- (c) Identify government inventory in excess of authorized amounts.

(6) In accordance with Executive Order 13693 and its implementing instructions, give preference in all procurements to recycled content products, energy and water efficient products and services, and BioPreferred and biobased designated products, to include sustainable energy, except those products or services procured for combat or combat-related missions.

(7) Seek to minimize on-order assets above item approved acquisition objectives wherever cost effective and in the best interests of the U.S. Government.

b. A single materiel manager or commercial equivalent will manage each item in the DoD supply system.

c. The Military Departments and DLA will proactively work to resolve material shortages that are detrimental to weapon system or equipment support and are due to the loss or impending loss of manufacturers or suppliers of items or raw materials.

d. Volume 3 of DoDM 4140.01 describes the procedures associated with materiel management processes for materiel sourcing throughout the DoD supply chain.

3.4. MAKE AND MAINTAIN MATERIEL.

a. DoD materiel managers will ensure best-value support by optimizing their relationships with:

- (1) Organic and commercial sources of materiel.
- (2) Organic and commercial maintenance facilities.
- (3) Activities maintaining depot-level repairable items including those where both depot-level maintenance facilities and intermediate repair activities can repair depot-level repairable items.

b. DoD materiel managers should review requirements in section 2461 of Title 10, United States Code, when making decisions regarding public and private partnering.

c. Volume 4 of DoDM 4140.01 describes the procedures associated with materiel management processes for making and maintaining materiel throughout the DoD supply chain.

d. DoD materiel managers collaborate with product support managers to optimize support to the warfighter. Refer to DoDI 5000.02 for information regarding weapon system life-cycle planning.

3.5. DELIVERY OF MATERIEL.

a. The DoD Components will:

(1) Work collaboratively to synchronize end-to-end materiel distribution processes consistent with DoDI 5158.06.

(2) Use consistent performance and cost criteria to select best-value providers and processes to:

(a) Manage stock positioning, requisitioning, and issuance, including lateral redistribution.

(b) Operate storage activities.

(c) Provide item accountability with asset visibility of in-transit, in-storage, and in-process stocks.

(d) Safely handle hazardous material movement and storage.

(e) Manage the retrograde of materiel back to the national level and disposal of materiel in accordance with Volume 1 of DoDM 4160.21.

(f) Monitor discrepancy and deficiency reporting to take corrective action, conduct trend analysis, and appropriately and timely disposition discrepant or deficient materiel.

(3) Establish and manage operational controls for all DoD materiel. Label, package, store, and transport all materiel in accordance with material handling procedures in DoDM 4140.70. Additionally, follow hazardous materials guidelines and policies set forth by the DoD and their respective headquarters.

b. Volume 5 of DoDM 4140.01 describes the procedures associated with materiel management processes for delivery of materiel throughout the DoD supply chain.

3.6. MATERIEL RETURNS, RETENTION, AND DISPOSITION.

a. The DoD Components will:

(1) Expedite return of materiel to ensure that adequate assets are available in the DoD supply chain for use or reuse to satisfy customer requirements.

(2) Consider both economic and customer requirements in making decisions to return defective materiel, materiel that is excess to retail supply activities' needs, or materiel requiring depot-level repair.

(3) Develop, apply, and maintain life-cycle management controls for critical components and components implementing critical program information, within the DoD supply chain.

b. Volume 6 of DoDM 4140.01 describes the procedures associated with materiel management processes for materiel returns, retention, and disposition throughout the DoD supply chain.

3.7. SUPPORTING TECHNOLOGIES.

a. To ensure a high-performing and agile supply chain, DoD materiel managers will:

(1) Leverage modern technologies, such as enterprise resource planning systems, to enhance materiel management processes.

(2) Use modern technologies to automatically identify items in storage and movement that will provide better product support for weapon systems in accordance with the procedures in Volume 7 of DoDM 4140.01.

(3) Implement internal controls on the quality of performance metric generating data used by decision-makers.

(4) Use automatic identification technology to assist in property accountability, effectively manage costs, and implement the DoD policies cited in this issuance.

b. The DoD Components will:

(1) Design materiel management systems to facilitate DoD-wide asset visibility of materiel throughout the DoD supply chain.

(2) Collect, warehouse, and provide access to weapon system product support data and develop analytical capabilities to use that data and other logistics data to improve materiel management processes and decision-making.

c. Volume 7 of DoDM 4140.01 describes the procedures for incorporating modern technologies into materiel management processes throughout the DoD supply chain.

3.8. MATERIEL DATA MANAGEMENT AND EXCHANGE. The DoD Components will:

a. Catalog each item recurrently used, bought, stocked, or distributed by the DoD and include each item in the Federal Catalog System in accordance with the procedures in Volume 8 of DoDM 4140.01 and DoDM 4100.39.

b. Use the Uniform Materiel Movement and Issue Priority System governing the responsiveness of the DoD supply chain to customer demand in accordance with Volume 8 of DoDM 4140.01 and Defense Logistics Manual 4000.25-1.

c. Use standard logistics data exchanges under the Defense Logistics Management Standards:

(1) To implement DoD materiel management policy.

(2) To establish the interfaces among the functional areas of supply, transportation, acquisition (contract administration), maintenance, and finance.

(3) In accordance with the guidance in the Defense Logistics manuals listed in Section 4.

d. Refer to Volume 8 of DoDM 4140.01 for procedures associated with materiel management processes for materiel data management and exchange throughout the DoD supply chain.

3.9. MATERIEL PROGRAMS.

a. The DoD Components will use modern materiel preservation, packaging, and marking techniques to provide all materiel within the DoD supply chain with the required level of protection and identification at the lowest possible cost.

b. Materiel managers will:

(1) Control the acquisition costs that the DoD Components pay for materiel through price challenge and verification programs, spare part breakout programs, item reduction programs, and the program for introducing new clothing items in accordance with DoDI 4140.63 and Volume 9 of DoD 4140.01.

(2) Take timely and effective actions to minimize the number of backorders and backorders' impact on DoD acquisition and logistics support efforts.

c. Volume 9 of DoDM 4140.01 describes the procedures associated with materiel management processes for packaging and other materiel programs throughout the DoD supply chain.

3.10. SUPPLY CHAIN INVENTORY REPORTING AND METRICS.

a. The Military Departments and DLA will:

(1) Collect, maintain, and report data on the inventories they hold in the DoD supply chain.

(2) Annually provide data requested by the Deputy Assistant Secretary of Defense for Logistics (DASD(Log)) to generate the Supply System Inventory Report.

(3) Stratify the inventories that they hold for sale or issue by applying assets against authorized requirements in accordance with the procedures in Volume 6 of DoDM 4140.01.

(4) Review their inventory management procedures semi-annually with the DASD(Log) in accordance with the procedures in Volume 10 of DoDM 4140.01.

b. DoD materiel managers will evaluate and report on the performance and cost of their supply chain operations and inventory.

c. Volume 10 of DoDM 4140.01 prescribes the procedures associated with materiel management processes for performance measurements and other special requirements throughout the DoD supply chain.

3.11. INVENTORY ACCOUNTABILITY AND SPECIAL MANAGEMENT AND HANDLING.

a. The DoD Components will:

(1) Use the total item property record as the accountable record for all inventory within the DoD supply chain, whether in storage, in transit, in repair, or on loan.

(2) Apply the highest levels of materiel accountability and asset visibility to the stewardship of critical safety items (CSI); CII; and small arms, light weapons, and conventional ammunition.

(a) DoD materiel managers will follow special procedures for identification, handling, and control of CSI and CII including NWRM and CCs, commensurate with the risk of unauthorized materiel release. Managers responsible for life cycle activities of Department of Energy-designed and DoD-owned materiel will adhere to guidance outlined in DoDD 3150.01 and DoDM 5030.55.

(b) The DoD Components will incorporate all applicable safety and security measures when managing small arms, light weapons, and conventional military munitions in the DoD supply chain.

(3) Use a unique item identifier (UII) assigned to each individual item (e.g. a single instance of a stock-numbered item or a single assembly or subassembly), and CC, in accordance with DoDI 8320.04 to provide unique item level traceability for:

(a) All DoD serially managed items that are also sensitive or pilferable, all DoD serially managed CSI, and all NWRM.

(b) Depot level repairable items.

(c) Any other item the DoD materiel manager decides requires unique item level traceability.

b. Volume 11 of DoDM 4140.01 prescribes the procedures associated with inventory accountability and handling and control of special types of materiel (i.e., CSI; CII; and small arms, light weapons, and conventional ammunition) throughout the DoD supply chain.

3.12. SALES AND OPERATIONS PLANNING.

a. The DoD Components will use sales and operations planning as a business management decision framework for addressing any identified imbalances between demand and supply planning.

b. Volume 12 of DoDM 4140.01 prescribes the procedures associated with sales and operations planning.

SECTION 4: TECHNICAL PROCEDURES

4.1. DOD SUPPLY CHAIN MATERIEL MANAGEMENT TECHNICAL PROCEDURES.

a. The DoD Components will comply with DoD supply chain materiel management technical procedures published in the Defense Logistics manuals listed in Table 1 and other applicable publications, such as the Federal Logistics Information System technical procedures.

Table 1. Defense Logistics Manuals

| Defense Logistics Manual Number | Defense Logistics Manual Title |
|--|---|
| Defense Logistics Manual 4000.25 | Defense Logistics Management Standards (DLMS) |
| Volume 1 of Defense Logistics Manual 4000.25 | Defense Logistics Management Standards (DLMS): Concept and Procedures |
| Volume 2 of Defense Logistics Manual 4000.25 | Defense Logistics Management Standards (DLMS): Supply Standards and Procedures |
| Volume 3 of Defense Logistics Manual 4000.25 | Defense Logistics Management Standards (DLMS): Transportation |
| Volume 4 of Defense Logistics Manual 4000.25 | Defense Logistics Management Standards (DLMS): Military Standard Billing System (MILSBILLS) - Finance |
| Volume 6 of Defense Logistics Manual 4000.25 | Defense Logistics Management Standards (DLMS): Logistics Systems Interoperability Support Services |
| Volume 7 of Defense Logistics Manual 4000.25 | Defense Logistics Management Standards (DLMS): Contract Administration |
| Defense Logistics Manual 4000.25-1 | Military Standard Requisitioning and Issue Procedures (MILSTRIP) |
| Defense Logistics Manual 4000.25-2 | Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP) |
| Defense Logistics Manual 4000.25-4 | Defense Automatic Addressing System (DAAS) |

b. The DASD(Log) is the approval authority for the publication of the Defense Logistics manuals.

4.2. MAINTAINING CURRENT DOD SUPPLY CHAIN MATERIEL MANAGEMENT TECHNICAL PROCEDURES.

a. The ASD(S); the DASD(Log); the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense; the USD(A&S); and the Director, DPC, provide guidance to the Director, DLA, on administration of the DLMS, the Defense Logistics manuals, and other DoD supply chain materiel management technical procedures.

b. The Director, DLA, provides technical guidance and supervision to the DLA Enterprise Business Standards Office (EBSO) and other DLA offices as needed to maintain current DoD supply chain materiel management technical procedures in accordance with the authority in DoDD 5105.22.

c. The DoD Components may submit proposed DLMS changes to the DLA EBSO for development, evaluation, and coordination through process review committees in accordance with the procedures in Volume 8 of DoDM 4140.01.

d. The DLA EBSO will:

(1) Administer the DLMS and the Defense Logistics manuals.

(2) Document the proposed DLMS changes in accordance with the procedures in Volume 8 in DoDM 4140.01.

(3) After completing the coordination of proposed DLMS changes, send the coordinated DLMS changes to the DASD(Log) for review and approval.

(4) Publish DLMS changes in the relevant Defense Logistics manuals after DASD(Log) approval.

GLOSSARY

G.1. ACRONYMS.

| | |
|-----------|--|
| ASD(S) | Assistant Secretary of Defense for Sustainment |
| CII | controlled inventory items |
| CSI | critical safety items |
| DASD(Log) | Deputy Assistant Secretary of Defense for Logistics |
| DLA | Defense Logistics Agency |
| DLMS | Defense Logistics Management Standards |
| DMSMS | diminishing manufacturing sources and materiel shortages |
| DoDD | DoD directive |
| DoDI | DoD instruction |
| DoDM | DoD manual |
| DPC | Defense Pricing and Contracting |
| EBSO | Enterprise Business Standards Office |
| GIDEP | Government-Industry Data Exchange Program |
| NWRM | nuclear weapons-related materiel |
| SCRM | supply chain risk management |
| UII | unique item identifier |
| USD(A&S) | Under Secretary of Defense for Acquisition and Sustainment |
| USD(R&E) | Under Secretary of Defense for Research and Engineering |

G.2. DEFINITIONS. These terms and their definitions are for the purpose of this issuance.

accountability. The obligation imposed by law, lawful order, or regulation, accepted by an organization or person for keeping accurate records, to ensure control of property, documents, or funds with or without physical possession. The obligation, in this context, refers to the fiduciary duties, responsibilities, and obligations necessary for protecting the public interest; however, it does not necessarily impose personal liability upon an organization or person.

acquisition. Obtaining logistics support, supplies, or services under an acquisition agreement or under a cross-servicing agreement. This includes purchasing (whether for payment in currency, replacement-in-kind, or by exchange for equal value), renting, leasing, or any method of temporarily obtaining logistics support, supplies, or services.

American National Standards Institute Accredited Standards Committee. The U.S. national standards body for the development and maintenance of electronic data interchange standards

biobased designated products. Derived from plants and other renewable agricultural, marine, and forestry materials. Biobased designated products provide an alternative to conventional petroleum derived products and include renewable chemicals used to create commercial, industrial, or consumer goods in support of Executive Order 13693.

BioPreferred. A U.S. Department of Agriculture-led initiative in support of Executive Order 13693 that aims to assist in the development and expansion of markets for biobased designated products. The initiative promotes the increased development, purchase, and use of biobased products that will reduce our Nation's reliance on petroleum, and increase the use of renewable agricultural materials.

business management decision framework. A series of processes or guidelines designed to provide the structured flow of information required for informed decision making. The processes and guidelines are documented, repeatable, and consistent across the organization.

CII. Those items designated as having characteristics that require that they be identified, accounted for, secured, segregated, handled or transported in a special manner to ensure their integrity and that they are safeguarded. The list of CII codes includes NWRM, CC, non-nuclear missiles and rockets, arms, ammunition and explosives. CII categories in descending order of the degree of control normally exercised are classified items, sensitive items, and pilferable items.

critical component. A component which is or contains information and communications technology including hardware, software, and firmware, weather custom, commercial, or otherwise developed and delivers or protects mission critical functionality of a system or which, because of the system's design, may introduce vulnerability to the mission critical functions of an applicable system as described in DoDI 5200.44.

CSI. A part, assembly, support equipment, installation or production system containing a critical characteristic whose failure, malfunction, or absence may cause a catastrophic or critical failure resulting in loss or serious damage, unacceptable risk of personal injury or loss of life, or an unsafe condition.

counterfeit materiel. Materiel whose identity or characteristics have been deliberately misrepresented, falsified, or altered without legal right to do so.

customer. An organization or end user that consumes materiel through the DoD supply chain.

Defense Logistics manuals. A set of manuals that prescribe logistics management responsibilities, procedures, rules, and electronic data communications standards for use in the DoD, to conduct logistics operations in functional areas such as supply, maintenance, and finance.

demand. An indication of a requirement, a requisition or similar request for an item of supply or individual item. Demands are categorized as either "recurring" or "non-recurring."

distribution. The operational process of synchronizing all elements of the logistic system to deliver the "right things" to the "right place" at the "right time."

DLMS. A process governing logistics functional business management standards and practices. 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. The DLMS are founded upon American National Standards Institute Accredited Standards Committee electronic data interchange standards.

foreign excess personal property. U.S.-owned excess personal property that is located outside the United States and its possessions. This excludes the 50 States, District of Columbia, Puerto Rico, American Samoa, Guam, Northern Mariana Islands, the Federated States of Micronesia, the Marshall Islands, Palau and the U.S. Virgin Islands. This property becomes surplus and is eligible for donation and sale.

identity. What an item is as defined by its national stock number and other identifiers such as original manufacturer, trademark or other intellectual property, performance, serial number, part number, date code, lot number, testing methods and results, inspection, documentation, warranty, origin, ownership history, packaging, storage, handling, physical condition, previous use, etc.

inventory. Materiel titled to the U.S. Government, held for sale or issue, held for repair, or held pending transfer to disposal.

item of supply. A category of items identified by a national stock number with the same form, fit, and function. The individual items (units) included in this category could be manufactured by multiple sources.

material. Property that may be consumed or expended during the performance of a contract, component parts of a higher assembly, or items that lose their individual identity through incorporation into an end-item. Material does not include equipment, special tooling, special test equipment or real property.

material shortage. Shortage of any raw, in process, or manufactured commodity, equipment, component, accessory, part, assembly, or product of any kind.

materiel. All items necessary to equip, operate, maintain, and support military activities without distinction as to their application for administrative or combat purposes, excluding real property, installations, and utilities. Materiel is either serviceable (i.e., in an issuable condition) or unserviceable (i.e., in need of repair to make it serviceable).

materiel management. The phase of military logistics that includes managing, cataloging, demand and supply planning, requirements determinations, procurement, distribution, overhaul, and disposal of materiel.

materiel manager. Any DoD activity or agency that has been assigned materiel management responsibilities for the DoD and participating Federal Agencies. The term includes responsibilities performed by either wholesale materiel managers or retail materiel managers: managing, cataloging, demand and supply planning, requirements determination and definition, procurement, distribution, overhaul and repair of reparable materiel, and disposal of materiel.

NWRM. Classified or unclassified assemblies and subassemblies (containing no fissionable or fusionable material) identified by the Military Departments that comprise or could comprise a standardized war reserve nuclear weapon (including equivalent training devices) as it would exist once separated or removed from its intended delivery vehicle. A delivery vehicle is the portion of a weapon system that delivers a nuclear weapon to its target. This includes cruise and ballistic missile airframes as well as delivery aircraft.

performance-based logistics. Logistics that delineate outcome performance goals of weapon systems, ensure that responsibilities are assigned, provide incentives for attaining these goals, and facilitate the overall life cycle management of system reliability, supportability, and total ownership costs.

reparable item. An item of supply subject to economical repair and for which the repair (at either depot or field level) is considered in satisfying computed requirements at any inventory level.

requirements definition. The process materiel managers use to turn warfighter operational requirements into procurable specifications to convey to support.

retail. Level of inventory below the wholesale level, either at the consumer level for the purpose of directly providing materiel to ultimate users or at the intermediate or region level for the purpose of supplying consumer levels or ultimate users in a geographical area.

SCRM. The process for managing risk by identifying, assessing, and mitigating threats, vulnerabilities, and disruptions to the DoD supply chain from beginning to end to ensure mission effectiveness. Successful SCRM maintains the integrity of products, services, people, and technologies, and ensures the undisrupted flow of product, materiel, information, and finances across the lifecycle of a weapon or support system. DoD SCRM encompasses all sub-sets of SCRM, such as cybersecurity, software assurance, obsolescence, counterfeit parts, foreign ownership of sub-tier vendors, and other categories of risk that affect the supply chain.

supply chain. The linked activities associated with providing materiel to end users for consumption. Those activities include supply activities (such as organic and commercial ICPs and retail supply activities), maintenance activities (such as organic and commercial depot level maintenance facilities and intermediate repair activities), and distribution activities (such as distribution depots and other storage locations, container consolidation points, ports of embarkation and debarkation, and ground, air, and ocean transporters).

supply chain management. Meeting customer-driven materiel requirements through the acquisition, maintenance, transportation, storage and delivery of materiel to customers, and managing materiel returns, movement of reparable materiel to and from maintenance facilities, and ensuring the exchange of information among customers, maintainers, supply chain managers and suppliers.

sustainability. Conditions under which humans and nature can exist in productive harmony, that permit fulfilling the social, economic, and other requirements of present and future generations.

sustainment. For purpose of materiel management, the life cycle phase for an item of supply that deals with the planning and execution of materiel management activities starting when the item is introduced into the DoD supply system and ending when a determination is made to remove the item from the DoD supply system. An item can be introduced into the DoD supply system as part of the acquisition of a new weapon system as a new commodity requirement, as a replacement for an existing item, or as a part of a transition from contractor logistics support to organic support. An item can be removed from the DoD supply system due to obsolescence or the existence of superior replacement item.

total item property record. The record or record set maintained by the materiel manager that identifies the quantity, condition, and value of the items for each organizational entity having physical custody of those items. The total item property record includes materiel that is due in, in transit, in organic wholesale and retail repair facilities, in a contractor's custody, on loan, on hand in wholesale distribution centers, on-hand at retail activities, and for reported assets in the custody of users.

UII. A set of data elements marked on items that is globally unique and unambiguous. The term includes a concatenated UII or a DoD recognized unique identification equivalent.

unique item level traceability. The requirement to trace life-cycle management events related to acquisition, storage, operation, maintenance, safety, physical security, retirement, and disposal by each individual item, e.g., for a single instance of a stock-numbered item or a single assembly or subassembly.

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