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USD(AT&L)

SUBJECT: DoD Supply Chain Materiel Management Procedures: Materiel Programs

References: See Enclosure 1

1. PURPOSE

a. Manual. This manual is composed of several volumes, each containing its own purpose, and reissues DoD 4140.1-R (Reference (a)). The purpose of the overall manual, in accordance with the authority in DoD Directive 5134.12 (Reference (b)), is to:

(1) Implement policy, assign responsibilities, and provide procedures for DoD materiel managers and others who need to work within or with the DoD supply system consistent with DoD Instruction (DoDI) 4140.01 (Reference (c)).

(2) Establish standard terminology for use in DoD supply chain materiel management.

b. Volume. This volume:

(1) Implements the policies established in Reference (c) and describes procedures for the DoD logistics programs for packaging material, uniquely identifying items, restraining item costs, and providing non-DoD support.

(2) Establishes the Defense Packaging Policy Group (DPPG).

(3) Incorporates and cancels DoDI 4140.57 (Reference (d)).

(4) Establishes the DoD Replenishment Parts Purchase or Borrow (DoD RPPOB) Program with procedures for DoD Components to provide domestic business with an opportunity to purchase or borrow replenishment parts from the U.S. Government in accordance with Section 2320(d) of Title 10, United States Code (Reference (e)).

2. APPLICABILITY. This volume 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 volume as the “DoD Components”).

3. RESPONSIBILITIES. See Enclosure 2.

4. PROCEDURES. See Enclosure 3.

~~5. INFORMATION COLLECTIONS REQUIREMENTS. The government furnished materials (GFM) status report referred to in paragraph 11g(3) of Enclosure 3 of this volume, has been assigned RCS DD AT&L(Q)1575 in accordance with the procedures in Directive type Memorandum 12-004 (Reference (d)) and DoD 8910.1-M.~~

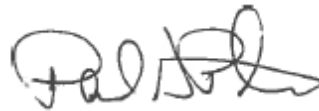
65. RELEASABILITY. ~~Unlimited.~~ *Cleared for public release.* This volume is ~~approved for public release and is~~ available on ~~the Internet from~~ the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.

76. EFFECTIVE DATE. This volume: *is effective February 10, 2014.*

~~a. Is effective February 10, 2014.~~

~~b. Must be reissued, cancelled, or certified current within 5 years of its publication to be considered current in accordance with DoDI 5025.01 (Reference (f)).~~

~~c. Will expire effective February 10, 2014 and be removed from the DoD Issuances Website if it hasn't be reissued or cancelled in accordance with Reference (f).~~



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Enclosures

1. References
2. Responsibilities
3. Procedures
4. Charter for the DPPG
5. *DoD RPPOB Program*

Glossary

TABLE OF CONTENTS

ENCLOSURE 1: REFERENCES..... 45

ENCLOSURE 2: RESPONSIBILITIES..... 67

 ASSISTANT SECRETARY OF DEFENSE FOR LOGISTICS AND MATERIEL
 READINESS (ASD(L&MR)) 67

*DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR SUPPLY CHAIN INTEGRATION
 (DASD(SCI))..... 7*

*UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF FINANCIAL OFFICER,
 DEPARTMENT OF DEFENSE 7*

 DoD COMPONENT HEADS..... 67

 SECRETARIES OF THE MILITARY DEPARTMENTS AND DIRECTOR, DEFENSE
 LOGISTICS AGENCY (DLA)..... 78

ENCLOSURE 3: PROCEDURES..... 89

 PACKAGING..... 89

 IUID 112

 SPARE PARTS BREAKOUT PROGRAMS..... 123

 PRICE CHALLENGE AND PRICE VERIFICATION PROGRAMS 124

 ITEM REDUCTION PROGRAMS..... 145

 NEW CLOTHING AND TEXTILE ITEMS..... 157

 LOGISTICS SUPPORT OF U.S. NON-DoD OR NON-GOVERNMENT AGENCIES
 AND INDIVIDUALS IN OVERSEAS MILITARY COMMANDS..... 1920

 DEFENSE SUPPORT FOR CIVIL AUTHORITIES 1921

 EXCHANGE OR SALE OF NON-EXCESS PERSONAL PROPERTY 2022

 PRESIDENTIAL DETERMINATION 2224

 CONTRACTOR ACCESS TO GOVERNMENT SUPPLY SOURCES..... 2324

ENCLOSURE 4: CHARTER FOR THE DPPG 2628

 PURPOSE AND SCOPE..... 2628

 MEMBERSHIP..... 2628

 FUNCTIONS AND RESPONSIBILITIES 2729

 PROCEDURES..... 2830

ENCLOSURE 5: DoD RPPOB PROGRAM 32

GLOSSARY 3036

 PART I: ABBREVIATIONS AND ACRONYMS 3036

 PART II: DEFINITIONS..... 3137

ENCLOSURE 1

REFERENCES

- (a) DoD 4140.1-R, "DoD Supply Chain Materiel Management Regulation," May 23, 2003 (cancelled by Volume 1 of this manual)
- (b) DoD Directive 5134.12, "Assistant Secretary of Defense for Logistics and Materiel Readiness (ASD(L&MR)), May 25, 2000, as amended
- (c) DoD Instruction 4140.01, "*DoD* Supply Chain Materiel Management Policy," December 14, 2011
- ~~(d) Directive type Memorandum 12-004, "DoD Internal Information Collections," April 24, 2012, as amended~~
- ~~(d) DoD Instruction 4140.57, "DoD Replenishment Parts Purchase or Borrow (DoD RPPOB) Program," May 30, 2008, hereby cancelled~~
- ~~(e) DoD 8910.1-M, "Department of Defense Procedures for Management of Information Requirements," June 30, 1998~~
- ~~(e) Title 10, United States Code~~
- ~~(f) DoD Instruction 5025.01, "DoD Directives Program," September 26, 2013, as amended~~
- (g) Federal Acquisition Regulation, current edition
- ~~(g) DoD Instruction 2030.08, "Implementation of Trade Security Controls (TSCs) for Transfers of DoD Personal Property to Parties Outside DoD Control," February 19, 2015~~
- ~~(h) DoD Instruction 2040.02, "International Transfers of Technology, Articles, and Services," March 27, 2014~~
- (i) Military Standard *MIL-STD*-2073-1, "Department of Defense Standard Practice for Military Packaging," current edition
- (j) ASTM International D-3951, "Standard Practice for Commercial Packaging," current edition¹
- (k) International Standards for Phytosanitary Measures 15, "Regulation of Wood Packaging Material in International Trade," current edition²
- (l) DoD Manual 4140.65, "Issue, Use, and Disposal of Wood Packaging Material (WPM)," August 21, 2012
- (m) Military Standard *MIL-STD*-129, "Department of Defense Standard Practice: Military Marking for Shipment and Storage," current edition
- (n) Military Standard *MIL-STD*-147, "Department of Defense Standard Practice: Palletized Unit Loads," current edition
- (o) Military Standard *MIL-STD*-3028, "Department of Defense Interface Standard: Joint Modular Intermodal Container," ~~July 6, 2009~~ *current edition*
- (p) AR 700-15/NAVSUPINST 4030.28E/AFMAN 24-206/MCO 4030.33E/DLAR 4145.7, "Packaging of Materiel," January 12, 2004³

¹ ASTM International, formerly known as the American Society for Testing and Materials (ASTM), is a globally recognized leader in the development and delivery of international voluntary consensus standards. Available on the Internet at <http://www.astm.org/>

² Available on the Internet at http://www.ispm15.com/ISPM15_Revised_2009.pdf

³ Available on the Internet at http://armypubs.army.mil/epubs/pdf/R700_15.PDF

- (~~pq~~) ~~Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics Guide, "Department of Defense Guide to Uniquely Identifying Items: Assuring Valuation, Accountability and Control of Government Property," September 15,⁴–Military Standard 130, "DoD Standard Practice Identification Marking of U.S. Military Property," current edition~~
- (~~qr~~) DoD Instruction 8320.04, "Item Unique Identification (IUID) Standards for Tangible Personal Property," ~~June 16, 2008~~ *September 3, 2015*
- (~~rs~~) DoD Instruction 4151.19, "Serialized Item Management (SIM) for ~~Materiel Maintenance Life-Cycle Management of Materiel~~," ~~December 26, 2006~~ *January 9, 2014*
- (~~s~~) ~~Military Standard 130, "Department of Defense Standard Practice: Identification Marking of U.S. Military Property," current edition~~
- (t) Defense Logistics Manual 4000.25-1, "Military Standard Requisitioning and Issue Procedures (MILSTRIP)," June 13, 2012⁵
- (u) *DoD Instruction 4140.67, "DoD Counterfeit Prevention Policy," April 26, 2013*
- (v) *Defense Standardization Program Directory SD-23, "Defense Item Reduction Program", January 5, 2007*
- (~~u~~) ~~DoD 4120.24-M, "Defense Standardization Program (DSP) Policies and Procedures," March 9, 2000~~
- (w) *Defense Standardization Program Directory SD-22, "Diminishing Manufacturing Sources and Material Shortages," January 2016*
- (~~vx~~) AMC-R 700-30/AFMC Instruction 20-101/MCO 4410.24A/DLAR 4140.66/*NAVSUPINST 4410.57*, "Elimination of Duplication in the Management and Logistics Support of Interchangeable and Substitutable Items," August 15, 1997⁶
- (~~wy~~) DoD Instruction 4140.63, "Management of DoD Clothing and Textiles (Class II)," August 5, 2008, *as amended*
- (~~xz~~) DoD 7000.14-R, "Department of Defense Financial Management Regulations (FMRs)," dates vary by volume
- (~~yaa~~) Section 1535 of Title 31, United States Code (also known as "The Economy Act of 1932")
- (~~zab~~) DoD 3025.1-M, "DoD Manual for Civil Emergencies," June 2, 1994
- (~~aac~~) Section 5121 of Title 42, United States Code
- (~~abd~~) DoD Directive 3025.18, "Defense Support of Civil Authorities (DSCA)," December 29, 2010, as amended
- (~~ae~~) Title 40, United States Code
- (~~adf~~) Part 102-39 of Title 41, Code of Federal Regulations
- (~~aeg~~) DoD Manual 4160.28, Volume 1, "Defense Demilitarization: Program Administration," June 7, 2011
- (~~afh~~) Title 22, United States Code
- (~~agi~~) ~~Part 245.201-71(2) of the~~ Defense Federal Acquisition Regulation Supplement, *"Government Property,"* current edition
- (~~ahj~~) Defense Logistics Manual 4000.25, Volume 2, "Defense Logistics Management System: Supply Standards and Procedures," June 13, 2012
- (ak) *DoD Directive 5230.25, "Withholding of Unclassified Technical Data from Public Disclosure," November 6, 1984, as amended*

⁴ Available on the Internet at http://www.acq.osd.mil/dpap/UID/attachments/DoDUIDGuideVer2_5.pdf

⁵ Available on the Internet at www2.dla.mil/j-6/dlms0/elibrary/manuals/dlm/dlm_pubs.asp

⁶ Available on the Internet at www.dla.mil/issuances/documents

ENCLOSURE 2

RESPONSIBILITIES

1. ASSISTANT SECRETARY OF DEFENSE FOR LOGISTICS AND MATERIEL READINESS (ASD(L&MR)). In accordance with Reference (a) and under the authority, direction, and control of the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)), the ASD(L&MR):

- a. Develops and maintains packaging and price control programs for DoD materiel.
- b. Oversees the DPPG.
- c. Exercises authority for direction and management of the DoD RPPOB Program.*

2. DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR SUPPLY CHAIN INTEGRATION (DASD(SCI)). *In accordance with Reference (e) and under the authority, direction, and control of the ASD(L&MR), the DASD(SCI) exercises overall administrative control of the DoD RPPOB Program.*

3. UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF FINANCIAL OFFICER, DEPARTMENT OF DEFENSE. *The Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense establishes pricing policies and procedures to facilitate the uniform implementation of the DoD RPPOB program.*

24. DoD COMPONENT HEADS. The DoD Component heads:

- a. Reduce the costs of spare parts by using competitive procurement methods or purchasing parts directly from the manufacturer, rather than the prime contractor, while maintaining the integrity of the systems and equipment in which the parts are to be used.
- b. Provide for an inactive item review to identify and purge items from the defense supply system that are no longer needed.
- c. Operate a standard program to record interchangeable and substitutable (I&S) items to phase out old and less capable items, improve overall supply support by identifying I&S items, and end duplication in the wholesale management of related items.
- d. On a reimbursable basis or as specified by law, provide materiel and services to these non-DoD operations or entities:
 - (1) Entities directly assisting overseas commanders.

(2) U.S. civil authorities for domestic emergencies and for designated law enforcement and other activities.

(3) Entities directed by the President.

(4) U.S. Government contractors when in the best interests of the government as described in part 102 of the Federal Acquisition Regulation (*FAR*) (Reference (~~g~~)).

e. Provide packaging, handling, storage, and transportation (PHS&T) for weapon system acquisition programs.

f. Improve packaging policies, procedures, engineering, and training to facilitate standardization and prevent duplication through membership on the DPPG.

g. Supplement the packaging guidance in this volume to address unique situations, but will not issue conflicting guidance on the subject. The DoD Components may *submit request* clarification ~~and~~ *changes requests* through the *DASD(SCI) for ASD(L&MR) consideration*.

h. Implement the use of item unique identification (IUID), as specified in this volume.

i. Establish DoD RPPOB controls to prevent businesses from ordering sample parts in quantities that would deplete DoD supply system stocks and provide them with an undue advantage in pricing subsequent DoD replenishment procurements in accordance with Enclosure 5.

j. Ensure that materiel programs involving the transfer of DoD personal property outside of DoD's control adhere to trade security policies and procedures in DoDI 2030.08 (Reference (g)) and international transfer policies in DoDI 2040.02 (Reference (h)).

35. SECRETARIES OF THE MILITARY DEPARTMENTS AND DIRECTOR, DEFENSE LOGISTICS AGENCY (DLA). In addition to the responsibilities in section ~~24~~ of this enclosure, the Secretaries of the Military Departments and the Director, DLA, under the authority, direction, and control of the USD(AT&L) through the ASD(L&MR)):

a. Implement the procedures prescribed in this volume.

b. Ensure that supplemental guidance and procedures are in accordance with Reference (c) and this volume.

ENCLOSURE 3

PROCEDURES

1. PACKAGING

a. The DoD Components will:

- (1) Require weapon system acquisition program managers to plan and budget PHS&T.
- (2) Assign qualified logistics element managers for PHS&T.
- (3) Meet packaging functional management objectives for the acquisition logistics element.
 - (a) Ensure cost-effective and adequate coverage of the packaging work centers.
 - (b) Minimize risks that jeopardize production.
 - (c) Analyze the adequacy of PHS&T support throughout the life cycle of the weapon system.
 - (d) Acquire access to item technical data that is sufficient to develop packaging requirements based on item characteristics, known or anticipated environmental conditions, logistics requirements, and user order quantities.
- (4) Develop and maintain standardized databases for DoD-wide retrieval and application of packaging requirements throughout the life cycle of the materiel.
- (5) Develop packaging requirements using Military Standard (MIL-STD)-2073-1 (Reference (h)) based on item characteristics, known or anticipated environmental conditions, logistics requirements, security requirements to reduce the likelihood of unauthorized access, and user order quantities.
- (6) Incorporate environmental pollution prevention and sustainability measures into packaging standards, specifications instructions, and processes. When designing and selecting packaging and unitization materials, consider if the materials can be disposed of, reused, biodegraded, recycled, and conserved while ensuring logistics and mission requirements are met.
- (7) Specify packaging requirements during procurement to avoid repackaging or packaging upgrades before shipment to minimize total ownership cost.
- (8) Determine whether Reference (h) or ASTM International D-3951 (Reference (j)) requirements apply based on the criteria listed in paragraph 1c(3) of Enclosure 3 of this volume;

when these criteria are not known, apply the requirements of Reference (~~hi~~). The Service's or agency's packaging technical authority is authorized to make this determination.

(9) Employ reusable containers to the maximum extent practicable for weapon system parts, components, and assemblies. The packaging technical authority will determine if reusable containers are suitable. Establish procedures to recover long life reusable containers to prevent unauthorized disposal.

(10) Continuously improve DoD packaging requirements based on reported discrepancies, failures and damage, order and issue quantity reviews, life-cycle cost analysis, hazardous materials regulations, technological advancements, and criticality to the end user's weapon system or mission.

(11) Require the use of International Standards for Phytosanitary Measures 15 (Reference (~~jk~~)) for wood packaging materials, as specified in DoD Manual 4140.65 (Reference (~~kl~~)).

(12) Preserve, package, and pack materiel to provide protection during handling, storage, and transportation until end user consumption while achieving the most economical total ownership cost.

(13) Package, mark, and label hazardous materials according to applicable military, federal, and international regulations.

(14) Develop and apply uniform in-the-clear and machine-readable marking requirements in accordance with Volume 7 of this manual and the latest version of MIL-STD-129 (Reference (~~lm~~)), to facilitate inventory accuracy, safe handling, efficient receipt, storage, and shipment of materiel.

(15) Apply appropriate passive radio frequency identification (RFID) tags to shipments at the case and warehouse pallet level, as prescribed in Volume 5 of this manual.

(16) Coordinate packaging policies and procedures by means of membership on the DPPG.

(17) Facilitate standardization and avoid duplication of efforts to improve packaging policies, procedures, engineering, and training.

(18) Specify item packaging and marking requirements in all contracts for materiel for both repair and procurement. Specify item packaging and marking requirements in all inter- and intra-Service support agreements.

(19) Use electronic communication to transmit and make packaging data requirements readily available to authorized users.

(20) Ensure packaging requirements are compatible with the requirements of unique identification, RFID, automatic identification technology (AIT), shelf-life, and warehousing practices.

(21) Use standardized loads whenever practical to maximize the efficiency of materiel movement and unitized loads through the commercial and DoD transportation, storage, and distribution systems in accordance with MIL-STD-147 (Reference (~~h~~n)) or MIL-STD-3028 (Reference (~~h~~o)).

(22) Transfer material to disposal activities with minimal packaging necessary to ensure safe handling, transportability, and receipt.

b. The DPPG will recommend revisions to the packaging guidance in this volume to the ASD(L&MR) in accordance with the procedures in the DPPG Charter at Enclosure 3.

c. The DoD Components will establish procedures for packaging in accordance with:

(1) AR 700-15/NAVSUPINST 4030.28/AFMAN 24-206/MCO 4030.33/DLAR 4145.7 (Reference (~~e~~p)).

(2) Reference (~~h~~i), which applies to items for which the military packaging is required to meet operational demands. These items include, but are not limited to, items:

(a) Delivered during wartime for deployment with or sustainment to operational units.

(b) Requiring reusable containers.

(c) Intended for delivery-at-sea.

(d) Intended to enter the Defense Transportation and Distribution System and when storage is expected to exceed 6 months.

(3) Reference (~~i~~j), which applies to items where military packaging is not necessary. These items include, but are not limited to, items:

(a) Intended for immediate use.

(b) Fulfillment of not-mission capable supply.

(c) Intended for depot consumption.

(d) Shipped small parcel post (continental United States (CONUS) only), not for stock.

(e) Designated as direct vendor deliveries (CONUS only).

2. IUID

a. The DoD Components will:

(1) Use unique item identifiers (UIIs) to improve property accountability and to enhance product life-cycle management. Follow instructions for constructing the UII found in ~~the DoD Guide to Uniquely Identifying Items~~ *Military Standard 130* (Reference (~~p~~q)).

(2) Use a UII in accordance with DoDI 8320.04 (Reference (~~q~~r)), for the population of items that have a unique item level traceability requirement identified.

(3) Transition from uniquely identifying items by serial number to the use of UIIs. *DoD Components will continue to use the human readable serial numbers as a supporting mark and data element.*

(4) For items with a national stock number (NSN) assigned, include an IUID value (Yes or No) in the Federal Logistics Information System (FLIS) field "IUID Indicator."

(5) Use UII for all items in approved serialized item management (SIM) programs.

(6) Review existing unique item tracking (UIT) and serial number tracking (SNT) programs for possible transition to IUID Registry functionality. The DoD Components will not establish additional UIT or SNT programs.

(7) Include UII in functional databases to enable information sharing and information access to achieve collaboration between and among already existing, or emerging, item management systems.

(8) Capture, retain, and provide current and historical data regarding uniquely identified tangible items by UII.

(9) Develop the capability to exchange IUID data using Defense Logistics Management Standards (DLMS) and wide area workflow transactions.

(10) *Include provisions for all IUID implementations to allow for AIT devices to capture the UII for an item based on the data elements used to determine the UII in accordance with DoDI 4151.19 (Reference (s)) and MIL-STD-130 (Reference (q)).* For business processes that include IUID capabilities, use AIT devices that are capable of reading an error correction code 200-compliant data matrix symbol and portable document format (PDF) 417 symbol from product markings, PDF417 barcode from unit or exterior packaging markings, or accompanying documentation. Use information recorded in AIT devices to update automated information systems per SIM programs required by DoDI 4151.19 (Reference (~~s~~)).

(11) For unmarked existing items in inventory, installed, in use, or undergoing maintenance repair or overhaul, mark IUID-required items based on the marking strategy identified in the DoD Components' IUID implementation plans.

(12) Place machine-readable UII marks on the item itself in accordance with ~~MIL-STD-130~~ (Reference (sq)), as required. Place machine-readable marks on the packaging, as described in Reference (4m) and on DoD shipment documentation, as described in Defense Logistics Manual (DLM) 4000.25-1 (Reference (t)).

(13) Provide training to personnel who perform functions affecting IUID; update training courses with current DoD policies and procedures.

b. The Director of the DLA Logistics Management Standards Office will:

(1) Provide capability for use of the UII in applicable DLMS transactions, as required by DoD-level IUID supply policy.

(2) Coordinate recommended changes to the DLMS to support IUID through the appropriate process review committee.

3. SPARE PARTS BREAKOUT PROGRAMS

a. Materiel managers will:

(1) Control the acquisition costs that the DoD Components pay for materiel through spare part breakout programs.

(2) Consider counterfeit parts risk and take appropriate action during all relevant phases of the acquisition process in accordance with DoDI 4140.67 (Reference (u)).

~~(2)~~(3) Apply ~~S~~spare parts breakout programs to replenishment parts for military systems and equipment that a materiel manager centrally manages.

b. The DoD Components will:

(1) Restrain the cost of materiel:

(a) Establish and implement spare parts breakout programs.

(b) Determine the feasibility of acquiring centrally managed replenishment parts by:

1. Competitive procedures.

2. Direct purchase from manufacturers.

(2) Identify, select, and screen centrally managed replenishment parts for breakout as early as possible to determine the technical and economic considerations of the opportunities for breakout to competition or direct purchase.

(3) Break out parts based on cost effectiveness as candidates for breakout screening. The DoD Components will assign resources and prioritize parts with the greatest expected return whenever possible.

4. PRICE CHALLENGE AND PRICE VERIFICATION PROGRAMS

a. Materiel managers will:

(1) Establish and use price challenge and verification programs to control the acquisition costs that the DoD Components pay for materiel.

(2) Identify possible overpricing of materiel.

(3) Make price challenge and price verification programs available to all DoD personnel, as well as employees of DoD contractors.

(4) Make a prompt and adequate assessment of reported instances of suspected price discrepancies and take action as necessary to resolve overpricing or overcharging.

(5) Conduct price inquiries with price verification requests and price challenges. Price verification requests involve clear price discrepancies (between a catalog price and a billing price, contract price, or prior catalog price).

(6) Process inquiries on non-stocked items as verification requests. Price challenges provide specific detailed information indicating potential overpricing meriting an in-depth review.

(7) Take measures to mitigate counterfeit parts risk in accordance with Reference (u), e.g., identify and review cases of offers priced below the fair market value.

b. The materiel manager or the contracting officer associated with a commercially managed item will:

(1) Perform price inquiries as the reviewing activity.

(2) Record the results of a review of price verification requests, and the determination of a price challenge (i.e., whether overpricing occurred), within 30 and 90 calendar days of receipt, respectively.

(3) Review existing contract histories to determine if an unusual and unexplained increase in price has occurred.

(4) Pursue price reductions and refunds in cases of contractor overpricing through contractual or voluntary remedies.

(5) Initiate the process of updating FLIS data to correct the standard price within 15 calendar days of a determination of an erroneous price.

(6) Include documentation in price inquiries for either price challenges or price verification requests to identify to the extent possible:

(a) NSN or its subcomponent national item identification number (NIIN). If the NSN is unavailable or not an NSN item, provide the commercial and government entity (CAGE) code and part number.

(b) Approved item name (if unavailable provide the common name).

(c) Catalog or other unit price questioned.

(d) Source of unit price questioned.

(e) Requisition number.

(f) Contract number, if available. This is essential for part number inquiries.

(g) Point of contact's name, office symbol or code, address, telephone number (both Defense Switched Network and commercial), and e-mail address (if available).

(7) Submit a price challenge with:

(a) Any available evidence that the item is overpriced.

(b) The manufacturer (either by CAGE code or address and telephone number, part numbers, and unit prices):

(c) An I&S item (i.e., same form, fit, and function) with significantly lower price.

(d) A similar or equivalent item (i.e., comparable size and function) with a significantly lower price.

(e) An alternate source with significantly lower price.

(f) Any disparity between kit price or other end item price and component item prices.

(g) Evidence of overpricing identified in a similar procurement within the last 5 years, if applicable.

(h) The materiel manager's estimate of what the price should be, along with a justification for the estimate.

(i) The end item application or intended item use, if known.

(j) When available, a sample of the item (e.g., a broken or used item); otherwise, a drawing, photograph, or sketch, if possible.

5. ITEM REDUCTION PROGRAMS

a. Materiel managers will:

(1) Control the acquisition and life-cycle costs that the DoD Components pay for materiel through item reduction programs.

(2) Conduct item reduction studies to restrain the cost of materiel on groups of similar items to separate those items that should be retained in the supply system from items that are not to be acquired for continued supply.

(3) Coordinate the removal of an item that is not authorized for acquisition from the supply system with registered users.

(4) Base the removal of an item on the value of the item's stock in relation to the predicted time that the item will deteriorate.

(5) Group items that have I&S relationships into families composed of a master item and one or more related items. The materiel manager for a master item in an I&S family is the materiel manager for all other items in the I&S family.

(6) Coordinate with the using Military Department or agency on all new or revised I&S family structures before the entry of the I&S families in the Defense Logistics Information System Total Item Record, except those relationships coordinated through the DoD Standardization Program Item Reduction Study Process.

(7) Use procedures for operating the item reduction program in ~~Appendix 8 of DoD 4120.24-M~~ *Defense Standardization Program Directory SD-23 (Reference (v)) and for diminishing manufacturing sources and material shortages in Defense Standardization Program Directory SD-22 (Reference (w))*.

(8) Use procedures for operating the I&S program in the AMC-R 700-30/AFMC Instruction 20-101/MCO 4410.24A/DLAR 4140.66/*NAVSUPINST 4410.57* (Reference (vx)).

b. The DoD Components will:

- (1) Identify and select potentially inactive items.
- (2) Refer items to a Secondary Inventory Control Activity through inactive item review notifications.
- (3) Remove items that are not required from the supply system and take actions to dispose of assets in accordance with Volume 6 of this manual.
- (4) Remove exact duplicate or obsolete items from the supply system by means of routine cataloging actions.

6. NEW CLOTHING AND TEXTILE ITEMS

a. DoD Components will:

- (1) Coordinate research, development, test, and evaluation (RDT&E) efforts associated with clothing and textile development.
- (2) Facilitate item standardization among the DoD Components when standardization may be achieved without jeopardizing the DoD Components' ability to maintain combat readiness or accomplish their missions.
- (3) Submit coordination for RDT&E efforts that:
 - (a) Includes the maximum participation of potential users during the development and execution of test plans.
 - (b) Integrates and consolidates development efforts where applicable.
 - (c) Provides the DLA with advance planning information on items that are candidates for introduction into the DoD supply system.
- (4) Control the acquisition costs that the DoD Components pay for materiel through the program for introducing new clothing items.
- (5) Plan and coordinate with DLA the introduction of new clothing and textile items into the DoD supply system, as a result of proposed DoD Component action, in accordance with DoDI 4140.63 (Reference (w)).
- (6) Ensure optimal economic use of all existing stocks of affected items.
- (7) Restrain the cost of materiel and deplete stocks of replaced clothing and textile items before phasing in new clothing and textile items.

(8) Fund new clothing and textile items and residual inventories of replaced items in accordance with DoD 7000.14-R (Reference (~~xz~~)).

(9) Standardize clothing and textile items while preserving the distinctiveness necessary to maintain high morale in the Military Departments and continued combat readiness and effectiveness.

(10) Minimize the variety of items, consistent with effective support of military operations.

(11) Adopt the commercial specification in all cases where no compelling military requirement exists for deviating from commercial specifications for a clothing or textile item.

b. When RDT&E projects on clothing and textile items that are subject to standardization reach the advanced development or engineering development phase:

(1) The initiating DoD Component will formally coordinate possible implementation with the other DoD Components.

(2) The DoD Components that receive requests for formal coordination will review the development and test plan and formally provide any additional requirements that they desire.

(3) The DLA will inform all interested DoD Components of any existing items that may satisfy the stated requirement.

c. The DLA wholesale materiel manager and the customer military personnel appropriation account manager will mutually determine the level to which to deplete replaced items. The DLA wholesale materiel manager will make the new item available for issue after reducing the stocks of the replaced item to the determined level.

d. After the initiating DoD Component completes development of a proposed new item and is satisfied that it will meet the requirements of potential users, the DLA will:

(1) Coordinate the proposal with each potential user before final adoption of the item, when appropriate.

(2) Address the cost considerations, phasing schedules, and budgetary issues associated with new item introductions in the proposals when applicable.

e. When the new item is a replacement clothing item, the initiating DoD Component will prepare a phase-in schedule for the new item and an inventory reduction plan for residual stocks of the old item while the new item is obtained.

f. The DLA will evaluate the DoD Component proposals introducing new items to determine the effect that the scheduled introduction of a new item will have on existing wholesale and retail stocks.

g. The Director, DLA, will advise the ASD(L&MR), either initially or during the introduction process, when the residual wholesale and retail stocks of both the end item and the constituent textiles are estimated to exceed \$1 million in value on the effective date of supply of the new item.

h. The DLA will review and provide written response on DoD Component proposals or recommend alternatives for introduction dates and the length of time required to get funds for the initial procurement of each new item.

i. The ASD(L&MR) will review DoD Component item proposals and recommendations when necessary to resolve differences and make final decisions.

j. The DoD Component requesting the new item is financially responsible for the initial investment and the acquisition of inventory levels required to satisfy demands up to the effective date of supply for new clothing items with a forecasted total annual demand value (recurring and non-recurring) for all sizes of the generic item exceeding \$100,000. New item requests that carry financial responsibility are:

(1) An initial introduction.

(2) A change in use that will increase the quantities required.

k. A DoD Component does not incur any financial responsibility if it is using an item and decides to use an additional size that is currently being used by one or more other DoD Components and requires no change in the item to allow for the expanded usage.

l. If a Military Department needs a new clothing or textile item that has a predicted total annual demand value (recurring and non-recurring) for all sizes of the generic item that exceeds \$100,000, then the Department must submit a funded order to the DLA. The funded order will cover the cost of a sufficient quantity of the articles, including approved safety levels, to satisfy anticipated demand until the next delivery.

(1) The DLA will not order the item until such funding is received.

(2) DLA will present billings to the Military Departments for the costs of new item introduction that include:

(a) An offset for the value of the items being replaced to the extent that the timing of the introduction of the new items is deferred sufficiently to provide for the sale of existing inventory.

(b) An adjusted offset to provide for any costs or income associated with disposal of the items being replaced, if necessary.

m. Working capital funds may be used to buy and stock optional uniform clothing items in the DoD supply system to sell to military retail clothing stores for resale to individual Military Department members.

n. The Military Departments will:

(1) Notify the DLA when an optional uniform clothing item is authorized, but is to be introduced only through the Military Exchange Systems or other sources of supply.

(2) Require the Military Exchange Systems to notify the DLA before introducing any optional uniform clothing that is equivalent to a standard item stocked in the DoD supply system.

(3) Use these standardization guidelines established during the development and introduction of new items:

(a) Standardize clothing items, including combat, field, fatigue, special purpose clothing, underwear, and individual equipment, insofar as functionality, maintenance of combat readiness, and mission accomplishment permit.

(b) Obtain any desired distinctiveness by using separate items of insignia, patches, etc.

(4) Standardize blankets, towels, bedspreads, table linen, and other items in Federal Supply Class 7210, "Household Furnishings," except in cases of differences that have been validated as necessary to meet mission requirements. Do not use distinctive markings that may prevent standardization.

o. The DoD Components should actively seek to reduce costs by standardization of basic materials and accessories.

7. LOGISTICS SUPPORT OF U.S. NON-DoD OR NON-GOVERNMENT AGENCIES AND INDIVIDUALS IN OVERSEAS MILITARY COMMANDS

a. Overseas commanders may provide supplies and services on a reimbursable basis to eligible U.S. non-governmental, non-military agencies, and individuals who directly assist the overseas commander in carrying out the U.S. Government mission. The overseas commander will decide if an agency or individual is eligible to receive such logistics support.

b. The logistics support that an overseas commander provides to non-governmental, non-military agencies or individuals in a foreign country is subject to the terms of:

(1) Any agreement between the United States and the government of the foreign country restricting categories of organizations and persons to whom support may be extended or classes and kinds of supplies and services that may be provided.

(2) Any contract for the provision of supplies or services that limit recipients or beneficiaries of such supplies or services.

c. Normally, support (e.g., office space, telephones) is limited to that which is necessary for the agencies or individuals to perform their specific functions and to when they are engaged exclusively in U.S. Government activities and not in commercial activities with foreign nationals.

d. In emergency situations resulting in hardships, logistics support may be provided on a reimbursable basis to agencies and individuals not otherwise eligible until other adequate facilities are available.

8. DEFENSE SUPPORT FOR CIVIL AUTHORITIES. The DoD Components:

a. Will provide support to U.S. civil authorities for domestic emergencies and for designated law enforcement and other activities. The DoD Components will provide support:

(1) Only when DoD involvement is appropriate and when a clear end state for DoD involvement is defined.

(2) With Service members, DoD civilians, and DoD contractors, only if necessary.

b. May also provide support to U.S. civil authorities pursuant to section 1535 of Title 31, United States Code (U.S.C.) (Reference (~~y~~aa)), also known and referred to in this volume as “The Economy Act of 1932.” The Economy Act of 1932 authorizes federal agencies to provide supplies, equipment, and material on a reimbursable basis to other federal agencies even during non-emergencies. Interagency agreements will document the terms of the support agreements between the DoD Components and civilian authorities in accordance with The Economy Act of 1932.

c. Will use:

(1) DoD 3025.1-M (Reference (~~z~~ab)) for procedures and guidance on DoD responses to civil authority requests for support in accordance with section 5121 of Title 42, U.S.C. (Reference (aa)).

(2) DoD Directive 3025.18 (Reference (abd)) for policy and procedures on providing defense support for U.S. civil authorities.

d. Will process and approve requests for defense support to civil authorities in accordance with Reference (~~z~~ab).

e. Will not procure, stock, or maintain any supplies, materiel, or equipment for civil emergencies unless directed by the Secretary of Defense.

f. May provide DoD resources to civil authorities on a cost reimbursable basis. However, during civil emergencies when an immediate response is necessary, the DoD Components may provide defense support to civil authorities even when the requester is unable or unwilling to commit to reimbursement beforehand. Immediate response is that action authorized to be taken by a military commander or responsible officials of the DoD Component to prevent human suffering, save lives, or mitigate great property damage.

g. Will limit support provided to civil agencies, pursuant to The Economy Act of 1932, to those commodities and services that they normally provide as part of their assigned DoD missions.

9. EXCHANGE OR SALE OF NON-EXCESS PERSONAL PROPERTY

a. In acquiring personal property, the DoD Components may exchange or sell eligible non-excess items. The exchange allowance or proceeds may be applied in whole or partial payment for the item acquired.

b. The DoD Components will use the authority to exchange or sell eligible non-excess items the maximum extent consistent with the economical and efficient accomplishment of an approved program.

c. Pursuant to sections 503, 484(j)(2), and 704 of Title 40, U.S.C. (Reference (aee)), the DoD Components may exchange or sell any equipment, including repair parts subject to ~~part 101 of Title 39 of the part 102-39 of Title 41~~, Code of Federal Regulations (Reference (adf)) and these limitations:

(1) The application of exchange or sale allowances as whole or partial payment in the acquisition of personal property is authorized only when the DoD Component is exchanging or selling an item or items:

(a) Similar to the item or items to be acquired.

(b) Non-excess, and the item or items to be acquired are required for approved programs.

(c) Being replaced with an item or items that perform substantially all the same functions. The acquiring activity will prepare a written administrative determination of economic advantage that shows:

1. The anticipated economic advantage to the U.S. Government resulting from the use of the exchange or sale authority.

2. That exchange or sale allowances will be applied in payment for the items to be acquired.

3. That if required, the property has been made safe or innocuous, or has been mutilated or demilitarized.

(2) In documenting exchange or sale transactions, a detailed cross-reference between old and new items is not required. DoD Components will maintain adequate records to substantiate that the items acquired, exchanged, or sold were similar in nature. The records must also specify that any exchange or sale allowances applied as whole or part payment for property acquired were, in fact, available for such application.

(3) The DoD Components may not execute exchange or sale transactions when items are in Federal Supply Classification Groups 10, 11, 42, 44, 51, 54, 68, ~~71,~~ and 84 ~~and Federal Supply Class 1560 (Airframe Structural Components)~~, which can be found at <http://www.dlis.dla.mil/H2>, except with the approval of the General Services Administration (GSA). Waiver requests will be sent to:

General Services Administration
Office of Government-wide Policy
Office of Travel, Transportation, and Asset Management
Washington, D.C. 20405

(4) The limitations on exchange or sale transactions may not authorize:

(a) The acquisition of personal property that is not authorized by law.

(b) The acquisition of personal property in contravention of any other restrictions on procurement of commodities or any established replacement policies or standards issued by the President; the Congress; the Administrator, GSA; or the Secretary of Defense, or designee.

(c) The exchange or sale of excess or surplus property even though otherwise eligible in the acquisition of personal property.

(d) The authority for the exchange or sale of strategic or critical materiel, except as authorized by the ASD(L&MR).

(e) The authority for the exchange or sale of Nuclear Regulatory Commission-controlled materiel.

(f) The exchange or sale of controlled substances, except in accordance with Volume 1 of DoD Manual 4160.28 (Reference (aeg)).

(g) The exchange or sale of scrap materiel, except in the case of scrap gold for fine gold.

(h) The exchange or sale of property otherwise eligible that was acquired from another agency or a DoD Component as “non-excess,” “excess,” or “surplus,” unless that property was in use for 1 year after acquisition.

d. The DoD Components will record property acquired by exchange at acquisition cost. The credit received from the exchange is considered the selling price of exchanged property and is considered accountable as a gain or loss on the sale of the property.

10. PRESIDENTIAL DETERMINATION

a. The President:

(1) Pursuant to section 2318 of Title 22, U.S.C. (Reference (a#h)), may direct the drawdown of defense articles from the stocks of the DoD and direct a decrease in defense services, e.g., decrease services for picking, packing, or shipping materiel.

(2) Pursuant to section 2348 of Reference (a#h), may direct the drawdown of commodities and services from the inventory of any agency of the U.S. Government for peacekeeping efforts.

b. The DoD Components will:

(1) When directed to provide materiel or services, draw down these assets or services from existing DoD stocks or resources and absorb the cost associated with the materiel, as well as staging and transportation costs and, when necessary, rehabilitation charges.

(2) Be responsible for logistical and financial reporting with guidance from the Defense Security Cooperation Agency.

11. CONTRACTOR ACCESS TO GOVERNMENT SUPPLY SOURCES

a. Contractors will supply all material required for the performance of U.S. Government contracts, except when the contracting officer determines, in writing and consistent with Reference (g#f), that contractor access to DoD supply sources for such material would meet any one of:

- (1) Be significantly more economical.
- (2) Maintain necessary standardization.
- (3) Expedite production.
- (4) Otherwise be in the U.S. Government's best interest.

b. In executing this requirement, the DoD Components will:

(1) Determine if the material is to be requisitioned with reimbursement by the contractor (contractor-acquired property (CAP)) or without reimbursement (GFM). Items of CAP are not subject to contractor reporting during contract performance. Items of GFM are subject to reporting as government property.

(2) Include in the contract file the required authorization and in the contract a list of the authorized items and quantities in accordance with the part 245.201-71 (2) of the Defense Federal Acquisition Supplement (Reference (a*gi*)).

(3) From the date of publication of this volume, manage all new contracts requiring contractor access to the DoD supply system using a unique DoD activity address code (DoDAAC) for each contract at each contractor location recorded in the Central Contractor Registry, consistent with the provisions of subparts 51.102(c)(2) and 51.103(b)(1) of Reference (g*f*). The assigned DoDAAC will not be re-assigned to any other contract or contractor location until the contracting officer has closed the originally assigned contract and its contract document retention period has expired in accordance with subpart 4.805 of Reference (g*f*).

(4) Provide the contractor with the material directly, when appropriate, and ensure that the provided (pushed) material is controlled and used in a manner consistent with the requirements of the contract.

(5) Issue, release, and shipment status associated with the shipment of government furnished property to contractors must perpetuate contract data from the requisition to ensure logistics pipeline visibility, proper documentation, and recording of such shipments in the Government Furnished Property Registry.

c. All material requisitioned by a contractor on either a reimbursable or non-reimbursable basis is subject to material receipt acknowledgement (MRA) for material sourced from the DoD wholesale supply system, consistent with Volume 5 of this manual and Volume 2 of DLM 4000.25 (Reference (a*hj*)). The MRA must reference the applicable contract. By exception under MRA exclusions, an MRA is not required for shipments to contractors which are receipt reported to the owning inventory control point. When these optional procedures apply, the receipt must identify the GFM contract number.

d. When a DoD Component authorizes contractor requisitions of DoD material, the DoD Component will:

(1) Ensure the DoD supply source has appropriate processes in place to comply with the access controls established in accordance with part 51 of Reference (g*f*).

(2) Ensure contractors obtaining DoD material acquire only the material and quantities established in the scope of their contract and provide for security to reduce the likelihood of unauthorized access to DoD materiel.

(3) Establish one or more management control activities (MCAs) to maintain control over all requisitions submitted to the DoD wholesale supply system by contractors and by DoD

Component activities when such DoD Component activity requisitions indicate shipment to a contractor.

e. The MCA will carry out the procedures in References (t) and (ahj), and establish a system that:

(1) Validates and approves all contractor-initiated requisitions and DoD-initiated material requisitions that are coded for direct shipment to a contractor. MCA procedures are applicable to materiel requisitioned for shipment to a contractor on either a reimbursable or non-reimbursable basis as specified in the contract.

(2) Restricts contractor access to specific predetermined items and quantities of those items by ensuring requisition validity, adequate authority, and consistency with the terms of an existing contract.

(3) Rejects contractor and DoD-initiated material requisitions that do not comply with the requirements of an existing contract.

(4) Passes approved requisitions to the applicable DoD source for supply action.

(5) Ensures that the quantity requisitioned does not exceed the contract-authorized quantity.

(6) Supports the supply source contractor requisition validation process that ensures no shipment is made without MCA verification.

f. DoD supply sources will refer back to the cognizant MCA for review and applicable action any requisitions for DoD material provided to contractors that have not passed through and been approved by an MCA.

~~g. The MCAs will establish a management reporting system to complete the GFM status report that:~~

~~(1) Maintains a contract, requisition, and shipment status history that serves as an auditable record of transactions involving DoD materiel provided to contractors.~~

~~(2) Provides the DoD contract administration offices a status in the GFM status report showing all material requisitions that were rejected and all shipments of DoD materiel to contractors or to DoD activities for subsequent shipment to contractors.~~

~~(3) Provides the report to the cognizant DoD contract administration office for the quarterly reporting periods ending March 31, June 30, September 30, and December 31, using DD Form 2543, "Government Furnished Material (GFM) Status Report."~~

hg. The ASD(L&MR) will establish and maintain guidance for and monitor the control of access to DoD inventories.

i. The DoD Components will:

- (1) Carry out the procedures in this section.
- (2) Establish all required MCAs.
- (3) Execute all procedures specified in Reference (~~ah~~).

(4) Refer all requests for waivers from this requirement through the DoD Component Headquarters (HQ) to the office ~~of Deputy Assistant Secretary of Defense for Supply Chain Integration (of the~~ DASD(SCI)).

~~j~~*h*. The Director, DLA Logistics Management Standards Office, will maintain procedures to control contractor access to DoD material inventories. Procedures must ensure visibility of government-furnished property shipments through the logistics pipeline by requiring the applicable contract data to be included in requisition, MCA validation, issue or release order, shipment status, and receipt MRA Transportation Review Board (TRB) transactions.

ENCLOSURE 4

CHARTER FOR THE DPPG

1. PURPOSE AND SCOPE. The DPPG is a permanent forum established to address packaging issues, identify potential solutions, and make recommendations concerning packaging policy, guidance, and standardization throughout the Military Departments, DLA, and Defense Contract Management Agency (DCMA). Special areas of interest include:

- a. New, changed, or improved packaging equipment, methods, and concepts.
- b. Engineering and data development.
- c. Increased productivity and overall cost improvement and effectiveness.
- d. Training.
- e. International and domestic packaging and transportation requirements.
- f. Environmental issues or mandates.
- g. Military packaging standardization and simplification.
- h. Packaging security requirements and techniques to reduce the likelihood of tampering or unauthorized access.

2. MEMBERSHIP

- a. Chair. The DASD(SCI) or his or her designee will chair the DPPG.
- b. Vice Chair. Members of the DPPG will rotate duties as Executive Secretary (ES) and then Vice Chair every 2 years in the order listed in paragraph 2d of this enclosure. After serving a 2-year period as the ES, the ES will assume the duties of Vice Chair for a 2-year period. In the absence of the Chair, the Vice Chair assumes the Chair's duties during DPPG meetings.
- c. ES. Members of the DPPG will rotate ES duty for 2-year periods in the order listed in paragraph 2d of this enclosure. In the absence of the Chair and the Vice Chair, the ES assumes the Chair's duties during DPPG meetings.
- d. Other Members. Other members are full-time or permanent part-time federal employees who are packaging managers from the following organizations:

(1) HQ, Air Force Materiel Command (AFMC), A4 Readiness and Transportation, Transportation and Packaging Policy.

(2) Army Materiel Command Logistics Support Activity Packaging, Storage, and Containerization Center.

(3) HQ, United States Marine Corps, Deputy Commandant for Installation and Logistics.

(4) Naval Supply Systems Command, Weapon Systems Support.

(5) HQ, DLA Logistics Operations.

(6) DCMA Business Operations Office.

3. FUNCTIONS AND RESPONSIBILITIES

a. DPPG members will provide and exchange information; develop, coordinate, and recommend DoD packaging policy; work together to detect and recommend solutions to packaging policy problems; and promote the standardization of packaging within the DoD. The DPPG will consider individual Military Department or agency-unique requirements.

b. The DPPG will:

(1) Provide a forum to advise the Directorate for Training at the Defense Ammunition Center (DAC) on the development and improvement of DoD packaging training. Ensure that DAC programs respond to DoD needs.

(2) Assist the DAC staff in developing new packaging programs of instruction, correct deficiencies identified in course contents, and pursue joint resolution of packaging training concerns or problems.

(3) Forward recommendations to the DAC for the establishment of new courses to meet individual or collective DoD needs.

(4) Establish working groups, as required, to:

(a) Improve operational packaging techniques.

(b) Study and resolve specific packaging issues common to the Military Departments, the DLA, and the DCMA.

(c) Reduce or avoid duplication of effort.

(d) Promote standardization.

(5) Support a DoD packaging awards program sponsored by the ASD(L&MR). The purpose of the awards program is to:

(a) Recognize and honor outstanding individuals and organizations in the DoD packaging community who have contributed significantly to the packaging effort.

(b) Increase interest in packaging development, productivity, and efficiency throughout the DoD.

(c) Improve the overall visibility of DoD packaging functions and accomplishments.

(6) Recommend establishment of or revisions to award categories, eligibility requirements, nomination or selection criteria, and nomination procedures as required.

(7) Develop and distribute publicity to generate competition for the awards.

(8) Support the ASD(L&MR) in evaluating award nominations.

(9) Provide other support that the Chair may assign.

4. PROCEDURES

a. Meetings. The DPPG will meet semiannually or at the call of the Chair, who will designate the dates and location of the meeting and notify the ES. The ES will notify the DPPG membership and invited activities and request proposed agenda topics at least 60 calendar days before the meeting date. Each DoD Component participating in the DPPG will provide a representative or alternate to each meeting.

(1) Agenda. Members will provide proposed agenda topics, with talking papers, to the Chair, the ES, and other members at least 30 calendar days before the meeting. The ES will develop and distribute the final agenda at least 15 calendar days prior to the meeting.

(2) Developing Recommendations. The DPPG will consider all relevant information available and use a collaborative process in developing its recommendations.

(a) If a consensus cannot be reached, one of the DPPG members must make a motion on the proposed recommendation for the DPPG to vote upon, with a majority vote required for passage.

(b) DPPG members may make detailed rebuttals concerning majority-approved recommendations in writing to the Chair not later than 45 calendar days after publication of the meeting minutes for timely review and decision. DPPG members must fully substantiate rebuttals to support opposing positions.

(c) The Chair or the Vice Chair will submit approved recommended changes concerning policy, guidance, and standardization of packaging to the appropriate DoD or joint Service preparing activity for staffing through the normal standardization process.

(3) Minutes. The ES will prepare the meeting minutes and submit them to the Chair within 30 calendar days after each meeting.

(4) Guests. Members are responsible for the invitation of their respective Military Department or agency guests. To maintain the effectiveness of the DPPG, guests should be limited to those who may contribute significantly to the established agenda. Guest attendance is subject to approval by the Chair or the Vice Chair.

(5) Travel Funds. The participating organizations will provide travel funds for their members to participate in the DPPG meetings.

b. Communication. All members may communicate directly with the Chair.

ENCLOSURE 5

DoD RPPOB PROGRAM

1. DoD Components will:

a. Allow potential suppliers to participate in the DoD RPPOB without impacting or delaying ongoing or planned purchase actions of spare parts.

b. Inspect parts for compliance to performance criteria, based on existing technical data, when appropriate, before the bailment or sale of parts to potential suppliers.

c. Establish a Competition Advocacy Office within each DoD Component to monitor and provide surveillance over the implementation of its RPPOB Program.

d. Provide domestic business concerns an opportunity to purchase or borrow replenishment parts from the U.S. Government for:

(1) Design replication or modification.

(2) Subsequent submission of offers to sell items of supply replenishment parts to the U.S. Government.

(3) Enhancing competition, lowering costs, and improving lead times by developing and locating alternative sources of supply and manufacturing.

e. Decrease the replenishment part costs through competition and product simplification. Make sample parts available to domestic business concerns when it is determined that such action is in the best interest of the U.S. Government. Include economic considerations as well as national security requirements, inventory needs, the probability of future purchases of parts, and any additional restrictions required by Section 2320(d) of Reference (e).

f. Establish procedures to allow domestic business concerns the opportunity to participate in the DoD RPPOB Program. Limit the availability of sample parts to quantities adequate to meet the DoD RPPOB Program objectives.

g. Develop alternate sources of supply through the DoD RPPOB Program when appropriate in accordance with subpart 6.202 of Reference (g).

h. Implement the DoD RPPOB Program to provide domestic business concerns an opportunity to purchase or borrow replenishment parts from the U.S. Government.

i. Establish criteria for item managing activities to identify potential replenishment parts that may be provided to potential suppliers to view or obtain sample parts on a bailment or purchase basis. Provide parts that meet these criteria:

(1) The part has limited or reduced sources of supply due to the unavailability of the technical data package (TDP), an incomplete TDP, or a TDP that contains limited rights data.

(2) The annual buy value of the part exceeds thresholds developed by DoD Components based on guidance in subpart 217.7506 of Reference (ai).

(3) Bailment or sale of the part that does not adversely affect or deplete required supply quantities.

(4) Potential life-cycle cost savings exceed the cost, including evaluating and testing, of making the part available.

(5) Providing the part does not disclose or otherwise implicate critical technology with military or space applications in accordance with the provisions of DoD Directive 5230.25 (Reference (ak)).

j. Release TDPs accompanying parts only when the Government is sufficiently licensed to release technical data to third parties. DoD Components:

(1) Do not release limited rights data to potential suppliers.

(2) May release parts with TDPs having limited rights data but cannot release the limited rights data with the part.

(3) Seek advice from legal counsel when a part or its technical data is subject to a specially negotiated license.

k. Accommodate the DoD RPPOB Program when necessary by reducing the dollar value of the thresholds developed by DoD Components based on guidance in subpart 217.7506 of Reference (ai).

l. Make critical safety items, engineering safety items, and engineering critical or unstable parts available only upon approval by the DoD Component that has technical cognizance of the part.

m. Use the qualification requirements in subpart 209.2 of Reference (ai) for critical safety items.

n. Before approving the bailment or sale of a part for the purpose of modification, consider:

(1) The proposed modification must improve performance, reliability, maintainability, interchangeability, product quality, safety, productivity, or decrease life-cycle costs.

(2) The probability of future purchases of the proposed modified part.

(3) *Whether the proposed modification is, or should be, considered under the existing DoD Value Engineering Program under part 48 of Reference (f), or other in-house product improvement or preplanned product-improvement program.*

o. Make parts available to potential suppliers with one of the three methods:

(1) *Direct Purchase of the Part by the Potential Supplier. This method is preferred as it minimizes the management and administrative impact to the U.S. Government. The potential supplier directly purchases the part using the pricing policies in accordance with Volume 11A of Reference (z).*

(2) *Bailment of the Part to the Potential Supplier. DoD Components prepare a bailment agreement with the provisions agreed upon by both parties that:*

(a) *Parts will not be subjected to destruction or irreversible disassembly.*

(b) *Parts will not be loaned to potential suppliers unless such parts can be inspected and validated by the U.S. Government.*

(c) *The U.S. Government will need to have visibility of the bailed asset's material condition and location status in the event the asset is required by the U.S. Government (e.g., emergency need for the last item on the shelf).*

(d) *Bailments costs are assessed in accordance with Volume 4 of Reference (z).*

(3) *Inspecting the Part. Potential suppliers may inspect parts for the purpose of familiarization in government-designated display areas. The DoD Components determine which parts are displayed.*

p. Consider requests from potential suppliers to purchase or borrow parts that are in writing and:

(1) *Are from domestic business concerns as defined in the Glossary.*

(2) *State that the intent of purchasing or borrowing the part is for replication or modification and for subsequent offer of sale of the item of supply replenishment parts to the U.S. Government.*

(3) *Specify the duration of time a borrowed part is required.*

(4) *Cite the NSN of the desired part.*

(5) *Specify the improvement to be offered by a proposed modification.*

q. Establish agreements with domestic business concerns that:

(1) Clearly indicates that materiel or information received under the DoD replenishment program is intended primarily for the purpose of meeting U.S. Government requirements.

(2) Includes terms and conditions providing that transfer of any provided technical data may be accomplished only as permitted given the level of licensing associated with the technical data.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

| | |
|------------|---|
| AFMAN | Air Force Manual |
| AFMC | Air Force Materiel Command |
| AIT | automatic identification technology |
| AMC-R | Army Material Command Regulation |
| AR | Army Regulation |
| ASD(L&MR) | Assistant Secretary of Defense for Logistics and Materiel Readiness |
| CAGE | commercial and government entity |
| CAP | contractor-acquired property |
| CONUS | continental United States |
| DAC | Defense Ammunition Center |
| DASD(SCI) | Deputy Assistant Secretary of Defense for Supply Chain Integration |
| DCMA | Defense Contract Management Agency |
| DLA | Defense Logistics Agency |
| DLAR | Defense Logistics Agency Regulation |
| DLM | Defense Logistics Manual |
| DLMS | Defense Logistics Management Standards |
| DoDAAC | DoD activity address code |
| DoDI | DoD Instruction |
| DPPG | Defense Packaging Policy Group |
| ES | Executive Secretary |
| FLIS | Federal Logistics Information System |
| GFM | government furnished material |
| GSA | General Services Administration |
| HQ | headquarters |
| I&S | interchangeable and substitutable |
| IUID | item unique identification |
| MCA | management control activity |
| MCO | Marine Corps Order |
| MIL-STD | Military Standard |
| MRA | material receipt acknowledgement |
| NAVSUPINST | Naval Supply Systems Command Instruction |
| NIIN | national item identification number |

| | |
|--------------|---|
| NSN | national stock number |
| PDF | portable document format |
| PHS&T | packaging, handling, storage, and transportation |
| RDT&E | research, development, test, and evaluation |
| RFID | radio frequency identification |
| <i>RPPOB</i> | <i>replenishment parts purchase or borrow</i> |
| SIM | serialized item management |
| SNT | serial number tracking |
| <i>TDP</i> | <i>technical data package</i> |
| UII | unique item identifier |
| UIT | unique item tracking |
| U.S.C. | United States Code |
| USD(AT&L) | Under Secretary of Defense for Acquisition, Technology, and Logistics |

PART II. DEFINITIONS

These terms and their definitions are for the purpose of this volume and will serve as standard terminology for DoD supply chain materiel management.

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.

air pallet (463L). An 88” × 108” aluminum flat base upon which cargo is aggregated and secured into a palletized unit load. The air pallet integrates into the 463L rollerized cargo loading system on aircraft, providing easy movement of cargo onto and off aircraft. Cargo is secured to the air pallet by straps, chains, or 463L nets.

AIT. A suite of technologies enabling the automatic capture of data, thereby enhancing the ability to identify, track, document, and control assets (e.g., materiel), and deploying and redeploying forces, equipment, personnel, and sustainment cargo. AIT encompasses a variety of data storage or carrier technologies, such as linear bar codes, two-dimensional symbols (PDF417 and data matrix), magnetic strips, integrated circuit cards, or satellite tracking transponders and

RFID tags used for marking or “tagging” individual items, equipment, air pallets, or containers. AIT is also referred to commercially as automatic identification data capture.

assembly. In logistics, an item forming a portion of equipment that can be provisioned and replaced as an entity and that normally incorporates replaceable parts or groups of parts.

bailment. The process whereby a part is provided to a recipient with the agreement that the part will be returned at an appointed time. The government retains legal title to such material even though the borrowing organization has possession during the stated period.

CAP. Any property acquired, fabricated, or otherwise provided by the contractor for performing a contract, and to which the government has title.

case. Either an exterior container within a palletized unit load or an individual shipping container.

cataloging. The process of uniformly identifying, describing, classifying, numbering, and publishing in the Federal Catalog System all items of personal property (items of supply) repetitively procured, stored, issued, or used by federal agencies.

~~commercial packaging. The materials and methods used by a supplier to meet the requirements of the distribution systems serving both the DoD and commercial customers.~~

domestic business concern. A business concern having its principal place of business in the United States or U.S. territories and possessions.

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 across DoD. A broad base of business rules, to include uniform policies, procedures, time standards, transactions, and data management, designed to meet DoD requirements for global supply chain management system. DLMS enables logistics operations to occur accurately and promote interoperability between DoD and external logistics activities at any level of the DoD organizational structure. The DLMS supports electronic business capabilities such as: American National Standards Institute Accredited Standards Committee X12 electronic data interchange, upon which the DLMS transaction exchange was founded; AIT, including passive RFID and linear and 2D bar coding; extensible mark-up language; and web-based technology. The DLMS encompasses standardization of logistics processes including, but not limited to: Military Standard Billing System, Military Standard Transaction Reporting and Accountability Procedures, Military Standard Requisitioning and Issue Procedures, and supply discrepancy reporting.

end item. A final combination of end products, component parts, or materials that is ready for its intended use, e.g., ship, tank, mobile machine shop, or aircraft.

end user. That individual or organizational element authorized to use supply items. The end user is normally the terminal point in the logistics system at which action is initiated to obtain materiel required to accomplish an assigned mission or task.

exterior container. A container, bundle, or assembly that is sufficient by reason of material, design, and construction to protect unit packs and intermediate containers and their contents during shipment and storage, as described in Reference (~~4m~~). It can be a unit pack or a container with a combination of unit packs or intermediate containers. An exterior container may or may not be used as a shipping container.

FLIS. The comprehensive government-wide system used to catalog, assign stock numbers, and maintain and distribute logistics information for items of supply. FLIS represents the common data system that provides the supply item data reflected in the Federal Catalog System.

GFM. Property provided by the government to be incorporated into or attached to a deliverable end item or consumed or expended in performing a contract. GFM includes assemblies, components, parts, raw and process material, and small tools and supplies that may be consumed in normal use in performing a contract. GFM does not include material provided to contractors on a cash sale basis nor equipment, special tooling, or special test equipment or items to be repaired by commercial contractors for return to the government.

I&S family. A group of items that possess physical and functional characteristics to provide comparable performance for a given requirement under given conditions. This applies when two or more items have an I&S relationship with another. The head of the family is called the master item, i.e., an item with an I&S relationship with every member of the family.

inactive item. An item without a wholesale demand in the last 5 years for which no current or future requirements are anticipated by any registered user or the materiel manager.

inventory. Materiel, titled to the U.S. Government, held for sale or issue, held for repair, or held pending transfer to disposal. This definition covers the same population of items as the definition for inventory in chapter 4 of Volume 4 of Reference (~~*z~~). Inventory does not include tangible personal property to be consumed in normal operations, operating materials, and supplies, as defined in Reference (~~*z~~).

item identification. A collection and compilation of data to establish the essential characteristics of an item that give the item its unique character and differentiate it from other supply items.

item of supply. A single item or two or more items of production that are functionally interchangeable or that may be substituted for the same purpose and that are comparable in terms of use.

IUID. A system of establishing globally common unique identifiers on items of supply within the DoD, which serves to distinguish a discrete entity or relationship from other like and unlike entities or relationships. AIT is used to capture and communicate IUID information.

life-cycle cost. The total cost to the U.S. Government of acquiring and owning a system over its useful life. It includes the cost of developing, acquiring, supporting, and disposing of it.

marking. The application of legible numbers, letters, labels, tags, symbols, or colors to ensure proper handling and identification during shipment and storage.

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.

materiel. All items necessary to equip, operate, maintain, and support military activities without distinction as to its 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. That 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, procurement, distribution, overhaul and repair of reparable materiel, and disposal of materiel.

MCA. DoD Component or activity designed to initially receive and effect control over Military Department-initiated and contractor-initiated requisitions for GFM, which would be supplied from the wholesale system.

military packaging. The methods and materials described in federal or military specifications, standards, drawings, or other authorized documents or systems designed to prevent damage or deterioration during distribution or storage of materiel.

NIIN. The last 9 digits of the NSN that differentiates each individual supply item from all other supply items. The first 2 digits signify the National Codification Bureau that assigned the NIIN, while the last 7 digits are not significant and are sequentially assigned by the FLIS. All U.S. manufactured items have a National Codification Bureau Code of “00” (cataloged before 1975) or “01” (cataloged in 1975 or later).

NSN. The 13-digit stock number replacing the 11-digit federal stock number. It consists of the 4-digit federal supply classification code and the 9-digit NIIN. The NIIN consists of a 2-digit National Codification Bureau number designating the central cataloging office (whether North Atlantic Treaty Organization or other friendly country) that assigned the number and a 7-digit (xxx-xxxx) nonsignificant number. The number must be arranged as follows: 9999-00-999-9999.

operating materials and supplies. Consist of tangible personal property to be consumed in normal operations. Excluded are goods that have been acquired for use in constructing real property, stockpile materials, and inventory held for sale.

optional uniform clothing items. Those items that are authorized for wear by Service members when bought with their personal funds, but are neither supported by the Armed Forces Clothing Monetary Allowance, nor required as part of a prescribed duty uniform.

PDF417. A barcode symbol with four bars and spaces and a pattern that is 17 units long used to mark items for inventory management or transportation documentation.

personal property. Any end item, materiel, equipment, spares, or repair parts. Property of any kind or any interest therein, except real property, records of the U.S. Government, and naval vessels of the following categories: surface combatants, support ships, and submarines.

property accountability. The assignment of duties and responsibilities to an individual or organization that mandates jurisdiction, security, and answerability over public property.

readiness. A measure or measures of the ability of a system to undertake and sustain a specified set of missions at planned peacetime and wartime utilization rates. Examples of system readiness measures are combat sortie rate, fully mission capable rate, and operational availability. Measures take account of:

The effects of system design, reliability, maintainability.

The characteristics of the support system.

The quantity and location of support resources.

replenishment. Actions to resupply an inventory when it reaches the reorder point.

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

safety level. The quantity of materiel required to be on hand to permit continued operation in the event of a minor interruption of normal replenishment or a fluctuation in demand.

shipping container. An exterior container that meets carrier regulations and is of sufficient strength, by reason of material, design, and construction, to be shipped safely without further packing (e.g., wooden boxes or crates, fiber and metal drums, or corrugated and solid fiberboard boxes).

SIM. The identification of populations of select items (parts, components, and end items); marking all items in each select population with a UII; and generation, collection, and analysis of

maintenance, logistics, and usage data about each specific item for the purpose of improved effectiveness and efficiency of DoD design, procurement, manufacturing, maintenance, and logistics operations; improved weapon system readiness, reliability, and safety; and reduced ownership costs through enhanced and more efficient sustainment operations.

supply chain. The linked activities associated with providing materiel from a raw material stage to an end user as a finished product.

system acquisition program. A directed, funded effort that is designed to provide a new or improved materiel capability in response to a validated need.

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.

unit pack. The first tie, wrap, or container applied to a single item, or to a group of items, of a single stock number, preserved or unpreserved, which constitutes a complete or identifiable package.

unstable part. The design of a part is considered to be unstable if its engineering, manufacturing, or performance characteristics (or those of the component for which it is a part) indicate that the required design objectives have not been achieved; major changes are contemplated to “input-output” or “form-fit-function” characteristics; and these changes would render the part obsolete and unusable in the present configuration.

wholesale. The highest level of organized DoD supply that procures, repairs, and maintains stocks to resupply the retail levels of supply. Synonymous with wholesale supply, wholesale level of supply, wholesale echelon, and national inventory.