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SECRETARY OF THE AIR FORCE**

AIR FORCE POLICY DIRECTIVE 23-1

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Materiel Management

**SUPPLY CHAIN MATERIEL
MANAGEMENT**



COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This Air Force Policy Directive (AFPD) provides direction for Air Force (AF) supply chain materiel management through implementation of Department of Defense Instruction (DoDI) 4140.01, *DoD Supply Chain Materiel Management Policy* and designates Headquarters Air Force (HAF) functional responsibilities for Air Force supply chain materiel management. It facilitates the implementation of Department of Defense Directive (DoDD) 1225.06, *Equipping the Reserve Forces* and the following DoDIs: 4140.58, *National Guard and Reserve Equipment Report* (NGRER); 3110.05, *Readiness-Based Materiel Condition Reporting for Mission-Essential Systems and Equipment*; 4140.61, *Customer Wait Time and Time Definite Delivery*; 4140.63, *Management of DoD Clothing and Textiles (Class II)*; 4161.02, *Management, Control and Disposal of Government Property in the Possession of Contractors*; 5000.64, *Accountability and Management of DoD-Owned Equipment and Other Accountable Property*; 5128.34, *Defense Materiel Readiness Board (DMRB)* to provide a framework for materiel management and responsibilities. It complements policy provided in AFPD 63-1/20-1, *Integrated Life Cycle Management* for product support, and AFPD 24-2, *Preparation and Movement of Air Force Materiel* for the packaging and movement of AF materiel. This AFPD applies to all military and civilian AF personnel, including major commands (MAJCOMs), direct reporting units (DRUs), field operating agencies (FOAs), Air Force Reserve, Air National Guard, and other individuals or organizations as required by binding agreement or obligation with the Department of the Air Force. Any change or waiver must be approved by the Secretary of the Air Force (SECAF). Refer recommended changes and questions about this publication to the Office of Primary Responsibility (OPR) using AF Form 847, *Recommendation for Change of Publication*; route form from the field through the appropriate Functional Chain of Command. Ensure all records created as a result of processes prescribed in this publication are maintained in accordance with

(IAW) AFMAN 33-363, Management of Records, and disposed of IAW the Air Force Records Disposition Schedule (RDS) located in the Air Force Records Information Management System (AFRIMS).

The following AFPDs correlate with this Publication: AFPD 10-2, *Readiness*; AFPD 10-3, *Air Reserve Component Forces*; AFPD 10-4, *Operations Planning: Air and Space Expeditionary Force (AEF)*; AFPD 10-6, *Capability Requirements Development*; AFPD 13-5, *Air Force Nuclear Enterprise*; AFPD 21-2, *Munitions*; AFPD 25-1, *War Reserve Materiel*; AFPD 36-26, *Total Force Development*; AFPD 38-1, *Organization and Unit Designation*; AFPD 90-8, *Environment, Safety & Occupational Health Management and Risk Management*.

SUMMARY OF CHANGES

This publication has been substantially revised and needs to be completely reviewed. This rewrite reflects the new Certifying Official responsibility for SAF/AQ, satisfies policy gaps that currently exist between DoD policy and AF guidance, and clarifies the roles and responsibilities within the HAF for supply chain materiel management.

1. AF Supply Chain Materiel Management. It is AF Policy to:

- 1.1. Use the supply chain operational reference processes of plan, source, make and maintain, deliver, and return as a framework for developing, improving, and conducting materiel management activities to satisfy customer support requirements as efficiently as possible.
- 1.2. Consider all life-cycle costs associated with materiel management, including acquiring, distributing, transporting, storing, maintaining, repairing, protecting, and disposing.
- 1.3. Identify supply chain strategies from supply chain characteristics and apply the strategy consistently for a given type of item, commodity, class, customer, or supplier.
- 1.4. Develop guidance that emphasizes supply chain responsiveness and prudent stewardship in supply chain planning, sourcing, maintenance, delivery, retention and disposition of materiel.
- 1.5. Establish support strategies to meet customer materiel requirements for active duty AF, Air Reserve Component, Cooperative Logistics Supply Support Arrangements, DoD Components and participating Federal agencies (when acting in the capacity as the Primary Inventory Control Activity).
- 1.6. Manage materiel resources from acquisition through disposition.
- 1.7. Establish wholesale and retail stockage objectives for peacetime and war reserve materiel (WRM) readiness requirements.
- 1.8. Establish provisioning and replenishment objectives to optimize materiel availability and stewardship of costs, and minimize materiel excess/surplus and negative environmental, safety, and occupational health impacts.
- 1.9. Ensure all Controlled Inventory Items to include nuclear weapons related materiel (NWRM), classified, communications security (COMSEC), weapons and other sensitive

assets are accurately received, secured, stored, issued, demilitarized and disposed, accounted for and reported to AF and DoD agencies as required.

1.10. Ensure materiel in storage is maintained in a ready status that prevents property deterioration and loss.

1.11. Ensure materiel accumulation does not exceed authorized stock or retention limits.

1.12. Minimize the volume of materiel disposed as scrap or waste through cost-effective reclamation and reuse of materiel.

1.13. Maintain visibility of serviceable items transferred to Defense Logistics Agency Disposition Services; when practical reutilize items in lieu of initiating a new procurement.

1.14. Maintain positive inventory control (PIC) and in-transit visibility (ITV) of assets throughout all nodes of the supply chain.

1.15. Proactively prevent loss and ensure appropriate demilitarization of assets prior to disposal.

1.16. Ensure cost-effective recovery from surplus, scrap or residual materiel and maximize the reuse of critical, strategic, and precious metals.

1.17. Comply with AFPD 90-8, *Environment, Safety & Occupational Health Management and Risk Management* and associated statutes, Occupational Safety and Health standards, environmental regulations, technical orders and safety data sheets.

2. Roles and Responsibilities. The following responsibilities and authorities are established:

2.1. In conjunction with AFPD 63-1/20-1 direction, the Assistant Secretary for the Air Force (Acquisition) (SAF/AQ) shall:

2.1.1. Ensure that AF policy guidance:

2.1.1.1. Addresses end-to-end AF supply chain requirements and responsibilities.

2.1.1.2. Complements and supports life cycle support solutions to balance support goals, total supply chain costs and performance factors.

2.1.2. Oversee AF supply chain sourcing and acquisition strategies that:

2.1.2.1. Promote supply chain resiliency.

2.1.2.2. Seek to minimize life cycle costs.

2.1.2.3. Offer best-value selection among organic and commercial support alternatives.

2.1.3. Ensure AF supply chain information technology (IT) acquisition strategies are integrated with AF enterprise IT strategies and are designed to facilitate DoD-wide asset visibility of materiel throughout the DoD supply chain.

2.1.4. Ensure an AF enterprise impact assessment is accomplished for programmatic source of supply (SOS) selection.

2.1.5. Develop supply chain risk management strategies that promote quality, hardware reliability, availability, enduring support and guard against counterfeit materiel in the DoD supply chain.

2.1.6. Establish requirements in the appropriate AFIs for the exchange of information between materiel and acquisition managers.

2.1.7. Facilitate exceptions to normal disposition policy (e.g. contingency operations, base closures, etc.).

2.1.8. Ensure supply chain guidance adheres to diminishing manufacturing sources and materiel shortages objectives as identified in DoDM 4140.01, Vol. 3, *DoD Supply Chain Materiel Management Procedures: Materiel Sourcing*.

2.2. Deputy Chief of Staff for Logistics, Engineering and Force Protection (AF/A4) shall:

2.2.1. Provide (Author or Publish) implementing materiel management guidance that provides the direction and oversight necessary to meet AF supply chain objectives.

2.2.2. Develop Policy and implementing guidance that provides the direction and oversight necessary to meet end-to-end supply chain requirements.

2.2.3. Exercise enterprise oversight of materiel management, requirements, and stockage direction.

2.2.4. Advocate for logistics resource requirements to the AF Corporate Structure.

2.2.5. Ensure development of AF workforce competencies for materiel management.

2.2.6. Assign staff as necessary to assist the Defense Materiel Readiness Board (DMRB).

2.2.7. Develop, in conjunction with SAF-CIO/A6, policy implementation direction and guidance for IT materiel management hardware and software.

2.3. MAJCOM, DRU, and FOA Commanders shall:

2.3.1. Ensure the management and control of materiel within production, manufacturing, repair, modification, overhaul, and testing functions performed at either:

2.3.1.1. Organic or private sector facilities or

2.3.1.2. Through public and private collaboration at those facilities.

2.3.2. Ensure item accountability and visibility throughout the life-cycle of an asset.

2.3.3. Promote and enforce supply discipline.

2.3.4. Ensure storage of material IAW AFJMAN 23-210, *Joint Service Manual for Storage and Materials Handling*.

2.4. The Air Force Materiel Command (AFMC) Commander, in addition to those responsibilities in **paragraph 2.3** shall:

2.4.1. Implement methods and maintain models for computing enterprise requirements including additive requirements for consumable items to SOS other than AF.

2.4.2. Oversee centralized execution of AF enterprise materiel management operations and asset redistribution. Exception: Not applicable to Air Reserve Components.

2.5. The Air Education and Training Command (AETC) Commander, in addition to those responsibilities in **paragraph 2.3** shall provide formal training for supply chain personnel to meet operational requirements.

DEBORAH LEE JAMES
Secretary of the Air Force

Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

DoDI 3110.05, *Readiness-Based Materiel Condition Reporting for Mission-Essential Systems and Equipment*, September 25, 2006.

DoDI 4140.01, *DoD Supply Chain Materiel Management Policy*, December 14, 2011

DoDD 4140.58, *National Guard and Reserve Equipment Report (NGRER)*, January 8, 2010

DoDI 4140.61, *Customer Wait Time and Time Definite Delivery*, December 14, 2000

DoDI 4140.63, *Management of DoD Clothing and Textiles (Class II)*, August 5, 2008

DoDI 4161.02, *Accountability and Management of Government Contract Property*, April 27, 1997

DoDI 5000.64, *Accountability and Management of DoD Equipment and Other Accountable Property*, May 19, 2011

DoDI 5128.34, *Defense Materiel Readiness Board (DMRB)*, July 27, 2010

DoDM 4140.01, All Volumes, *DoD Supply Chain Materiel Management Procedures*

AFPD 10-2, *Readiness*, November 6, 2012

AFPD 10-3, *Air Reserve Component Forces*, Mary 17, 2006

AFPD 10-6, *Capabilities Requirements Development*, November 6, 2013

AFPD 10-4, *Operations Planning: Air and Space Expeditionary Force (AEF)*, April 30, 2009

AFPD 13-5, *Air Force Nuclear Enterprise*, July 6, 2011

AFPD 20-1/63-1, *Integrated Life Cycle Management*, June 3, 2016

AFPD 21-2, *Munitions*, December 17, 2012

AFPD 24-2, *Preparation and Movement of Air Force Materiel*, April 27, 2011

AFPD 36-26, *Total Force Development*, December 22, 2015

AFPD 38-1, *Organization and Unit Designations*, August 24, 2011

AFPD 90-8, *Environment, Safety & Occupational Health Management and Risk Management*, February 2, 2012

AFI 16-501, *Control and Documentation of Air Force Programs*, August 15, 2006

AFI 20-110, *Nuclear Weapons-Related Materiel Management*, October 23, 2014

AFJMAN 23-210, *Joint Service Manual for Storage and Materials Handling*, April 12, 1994

AFMAN 33-363, *Management of Records*, June 9, 2016

Adopted Forms

AF Form 847, *Recommendation for Change of Publication*

Abbreviations and Acronyms

AF—Air Force

AEF—Air and Space Expeditionary Force

AETC—Air Education and Training Command

AFI—Air Force Instruction

AFMAN—Air Force Manual

AFMC—Air Force Materiel Command

AFPD—Air Force Policy Directive

AFRIMS—Air Force Records Information Management System

DoD—Department of Defense

DoDD—Department of Defense Directive

DoDI—Department of Defense Instruction

DoDM—Department of Defense Manual

DMRB—Defense Materiel Readiness Board

HAF—Headquarters Air Force (Secretariat and Air Staff)

IAW—In Accordance With

IT—Information Technology

MAJCOM—Major Command

OPR—Office of Primary Responsibility

RDS—Records Disposition Schedule

SAF or SECAF—Secretary of the Air Force

UMMIPS—Uniform Materiel Movement and Issue Priority System

Terms

AF Corporate Structure—Embodies the corporate review process for HQ USAF. It does not replace the functional staff but, rather, enhances it by allowing time critical or time limited functional reviews at the appropriate levels. The deliberative components of the Corporate Structure are the Air Force Council, the Air Force Board, the Air Force Group, and various Mission and Mission Support Panels. Reference AFI 16-501 for composition and purpose.

Commodity—A homogenous grouping of materiel items. (e.g., a grouping such as that designated by a Federal Supply Class).

Cooperative Logistics Supply Support Arrangement (CLSSA)—An agreement between a Military Department and a purchaser; setting forth the terms and conditions under which the DoD will provide supply support of common weapons systems on an equal basis with U.S. Forces in accordance with the purchaser's Force Activity Designator (FAD) and the Uniform Materiel Movement and Issue Priority System (UMMIPS).

Consumable Items—Consumable items are components that are not repaired or condemned higher than the base level after removal from an end item.

Controlled materiel—Materiel designated as having characteristics which require that they be identified, accounted for, secured, segregated, or handled in a special manner to ensure their safeguard or integrity. Controlled materiel includes classified, NWRM, sensitive and pilferable items.

Critical Metals—Metals that are essential in various industrial applications, often in new and green technologies, difficult to substitute and for which the main supply is restricted to just one or two countries.

Demilitarization—The act of destroying the military offensive or defensive advantages inherent in certain types of equipment or materiel to prevent its unauthorized use.

Defense Materiel Readiness Board (DMRB)—This DoD-level board assesses materiel readiness and evaluates plans and policies relating to materiel readiness in accordance with section 871 of Public Law 110-181, *National Defense Authorization Act for Fiscal Year 2008*.

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.”

End Item—The final combination of end products, component parts, and/or materials that is ready for its intended use; e.g., aircraft, mobile machine shop.

In-Transit Visibility (ITV)—The ability to track the identity, status, and location of DoD units and non-unit cargo (excluding bulk petroleum, oils, and lubricants) and passengers, medical patients, and personal property from origin to consignee or destination across the range of military logistics operations.

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

Life Cycle—From system concept development through disposal; total phases through which an item passes from the time it is initially developed until it is either consumed in use or disposed.

Maintenance—All action taken to retain materiel in a serviceable condition or to restore it to serviceability. It includes inspection, testing, servicing, classification as to serviceability, repair, rebuilding and reclamation.

Materiel—All items necessary to equip, operate, maintain, and support military activities without distinction as to its application for administrative or combat purposes.

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 and definition, procurement, distribution, overhaul and repair of reparable materiel, and disposal of materiel.

Nuclear Weapons Related 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/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.

Personal Property—Property of any kind or interest except real property and records of the US Government.

Policy—A statement of important, high-level direction that guides decisions and actions throughout the Air Force. (As used in this AFPD, the word “Policy” refers to what is SecAF approved; i.e. direction provided by the SecAF through AFPDs, AF Supplements to DoDDs, and AF Policy Memorandums. Policy guidance refers to the implementation of Policy and is provided through publications such as AFIs and AFMANs.)

Positive Inventory Control (PIC)—The ability to identify and account for materiel and to be cognizant of the condition and location of these items in near real time. Assets are tightly controlled and in secure areas. For controlled materiel, PIC is maintained at the serial number level. Note: Reference AFI 20-110, *Nuclear Weapons-Related Materiel Management* for a more specific definition in the context of NWRM.

Precious Metals—Federal Supply Class 9660 items that are gold, silver, platinum, or palladium granulation and sponges, rhodium, ruthenium, iridium, and osmium recovered from items, such as photographic and x-ray film, spent photographic fixing solution, military accouterments, such as insignia, crucibles, special wires, silver cell batteries, missile and electronic scrap, turnings, desalter kits, brazing alloys, solder, and dental scrap.

Product Support—A package of support functions required to field and maintain the readiness and operational capability of major weapon systems, subsystems, and components, including all functions related to weapon system readiness.

Readiness—The ability of US military forces to fight and meet the demands of the national military strategy.

Reclamation—The process of removing required, serviceable and economically repairable components and materiel from excess or surplus property.

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.

Requisition—An order for materiel, from the source of supply, by an authorized organization.

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.

Source of Supply—Any government organization exercising control over materiel.

Strategic Metals—Metals which are required for national defense, but are threatened by supply disruptions due to limited domestic production.

Supply Chain—The linked activities associated with providing materiel from a raw material stage to an end user as a finished product its final disposition.

Supply Chain Risk Management—The systematic identification, assessment, and quantification of potential supply chain disruptions with the objective to control exposure to risk or reduce its negative impact on supply chain performance.

Supply Discipline—Refers to the compliance with DoD and AF supply chain policy and procedures, especially in terms of abiding by requisition priorities within the UMMIPS.

Surplus Property—Property which is not needed by any Federal agency.

War Reserve Materiel—stock required to sustain operations for the scenarios authorized for sustainability planning in the combatant commander war plans and war mobilization planning documents.