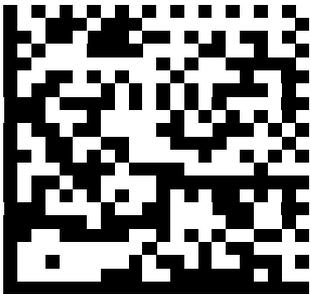

Communicating IUID Requirements to Contracting and Industry



**Developed by:
Bruce Propert
Defense Procurement and Acquisition Policy**

Administrative Notes

- Please mute your telephone
- Please use the chat box for questions which are critical to the understanding of the presentation
- Please submit any question not requiring immediate attention to:
CRNA-IUID_gateway@navy.mil
- Questions will be answered as time permits

Defining Requirements for IUID

- Determining what to identify
 - End items
 - Embedded items
- Ensuring items are properly described
- Determining where to place marks
- Ensuring marks are applied, inspected, and recorded

Who's Job is it Anyway?

- **Program Managers**
 - What is the strategy for managing system components?
- **Engineers**
 - What needs to be tracked for engineering analysis?
 - How should we mark these parts?
 - How do we want marks verified?
- **Logistics Managers**
 - What needs to be tracked across the maintenance lifecycle?
- **Property Managers**
 - Which items are accountable property?
 - Do we have traceability of GFP?
- **Financial Managers**
 - How will I track costs to items?
- **Contracting Officers**
 - Have we identified what is to be delivered and marked?
 - Do the line items track to the deliverables?
 - Are the IUID and WAWF clauses included and complete?
 - Do we have inspection criteria defined?

Line Item Life Cycle

Requirement

- Requirement identifier
- Item Number
- Description
- Quantity
- Unit of Issue
- Specs and Standards
- Descriptive Identifiers (e.g. NSN, Type Designation, PN)
- Delivery date
- Ship to
- GFP Provided
- Funding data (AAI/LOA)

Contract

- **Contract Number**
- Item Number
- Description
- Quantity
- Unit of Issue
- Specs and Standards
- Descriptive Identifiers (e.g. NSN, Type Designation, PN)
- Delivery date
- Ship to
- GFP Provided
- **Contract Type**
- **Unit Price**
- **Payment provisions**
- Funding data (AAI/ACRN/LOA)

Delivery

- Contract Number
- Item Number
- Description
- Quantity
- Unit of Issue
- Descriptive Identifiers* (e.g. NSN, Type Designation, PN)
- Unit Price
- **Date Delivered**
- **GFP embedded**
- **UII**
- **RFID**

Invoice

- Contract Number
- Item Number
- Quantity
- Unit of Issue
- Unit Price
- Date Delivered
- Contract Type
- Unit Price
- Payment provisions
- Funding data (AAI/ACRN/LOA)
- **Invoice Number**
- **Invoice Amount**

It's all about Getting the Line Items Right

So, what is a line item?

- It has a *single unit price*. The item shall have a single unit price or a single total price.
- It is *separately identifiable*. A contract line item must be identified separately from any other items or services on the contract.
- It has a *separate delivery schedule*.
- It has a *single accounting classification citation*.

See DFARS 204.7103

Separately Identifiable

- **Supplies:** no more than one
 - National stock number (NSN);
 - Item description; or
 - Manufacturer's part number.
- **Services:** no more than one
 - Scope of work; or
 - Description of services.

See DFARS 204.7103

Using a Single SOW for Multiple Deliverables

- If there are multiple line items citing the same Statement of Work, Statement of Objectives, or Performance Work Statement,
- Then the line items should be for different delivery dates or performance periods, or
- There should be a clear delineation in Section C as to which tasks belong to which line item.

Example: Item 0002 – The contractor shall provide the ABC component of the XYZ system in accordance with Paragraphs 6.1 through 6.8 and 9.1 through 9.3 of Attachment 1, Specification for XYZ system, dated 31 March 12.

How to Know if the Line Items are Properly Constructed

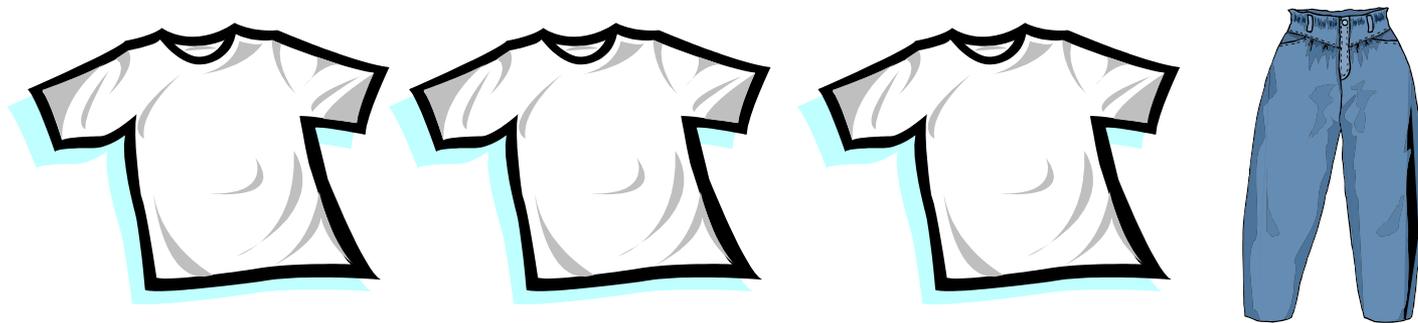
- Items should be bought the way they will be delivered, shipped, accounted for and managed.
- Performance or delivery must not be divisible except by the quantity, i.e. if you will deliver part of one unit separately, it needs to be a separate item.

Thus:

- A shipment must contain a whole number quantity of each line item delivered and;
- The total of the shipment quantities should match the line item quantity.

Sesame Street Test – Part 1

- One of These Things Is Not Like the Others
 - Look carefully at the items below.
 - Which object does not belong?
 - How is it different from the others?



Make this two line items
Do not make this, “Clothing, 1 Lot”

Sesame Street Test – Part 2

- One of These Things Is Not Like the Others
 - Look carefully at the items below.
 - Which object does not belong?
 - How is it different from the others?



Make this two line items
Do not make this, “Spare Parts, 1 Lot”

Example of Misalignment of Requirements with Needs

Ground Expedient Refueling System



- Ordered as 1 kit
- Each component inventoried separately
- Should be several line items

Approaches

0001	Ground Expedient Refueling System	100	Each	\$36,000.00	\$3,600,000.00
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Bad

0001	Ground Expedient Refueling System	300	Each	\$12,000.00	\$3,600,000.00
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Better

0001	Ground Expedient Refueling System				
0001AA	Fuel Bladder	600	Each	\$2,200.00	\$1,320,000.00
0001AB	Nozzle	300	Each	\$600.00	\$180,000.00
0001AC	Hose	300	Each	\$400.00	\$120,000.00
0001AD	Pump with air line and static release line	300	Each	\$6,600.00	\$1,980,000.00

Best

Communicating Requirements

- Must communicate clearly to our industry partners what we want accomplished.
- Communicate through the solicitation and resultant contract.
- The better we communicate prior to award the fewer problems will arise after.



Some Things to Consider

- When doing market research, identify how the items to be procured are usually delivered.
- When negotiating the contract, discuss with the contractor how the items will be delivered and shipped.
- Consider whether the line item structure needs to be adapted to the contractor.



The Contractor Can (and Should) Help

DFARS 204.7109

(b) Use the provision at [252.204-7011](#), Alternative Line Item Structure, in solicitations for commercial items and initial provisioning spares.

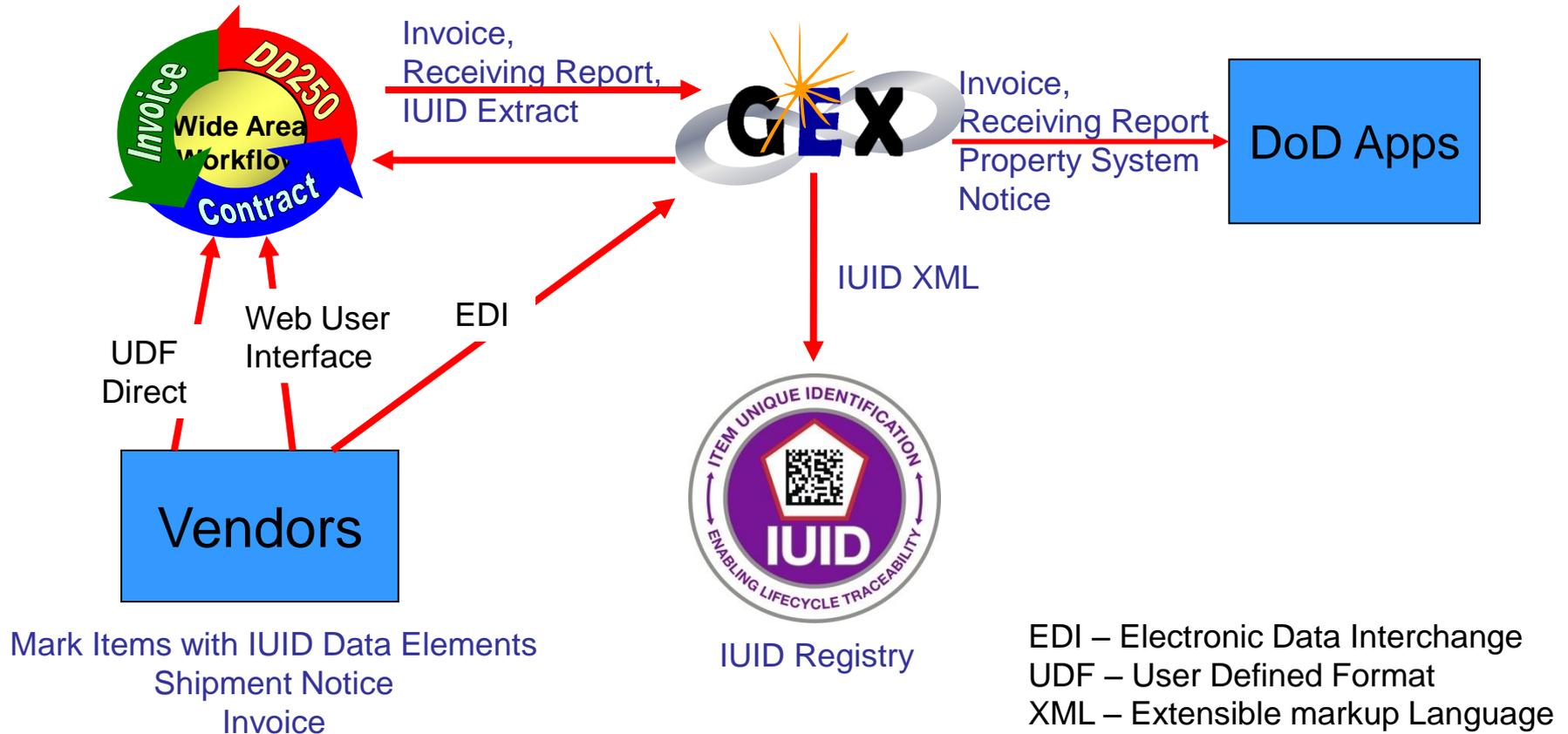
DFARS 252.204-7011 Alternative Line Item Structure (SEP 2011)

(a) Line items are the basic structural elements ... that ... facilitate pricing, delivery, inspection, acceptance and payment ... [O]fferors are invited to propose an alternative line item structure for items ... to ensure that the resulting contract structure is economically and administratively advantageous to the Government and the Contractor.

Contract Writing Tips

- Avoid combined line items on contracts
 - “lot” line items: multiple deliveries of different things
 - “system” line items: separate pieces delivered
 - “kit” line items: pieces managed separately
- CDRL for embedded item reporting
 - Not required, but can be helpful, especially where integration with maintenance records is intended

IUID Data Capture for New Items via WAWF



Embedded Item Reporting

Did you know?

WAWF can be used to submit embedded items

- Directly in WAWF
 - Up to one hundred embedded Ulls per parent
 - One tier of embedding
- Via CDRL accepted in WAWF
 - Uses direct submission data formats
 - Unlimited numbers of items and levels, but 5MB file size
 - Allows review of data before acceptance of the CDRL

Inspection and Acceptance

Tell the Inspector and Acceptor in the contract what you want done. Avoid interpretation issues and resulting claims.

0001 - Inspection and acceptance shall occur at source

Bad

0001- Inspection and acceptance shall occur at source in accordance with the criteria in paragraph 7.2 of Attachment 1, SOW ABC, dated 31 March 12

Good

Best Practices for Inspecting Marks

If you have a scanner...

- Use a piece of software to validate the content of the mark
- The UII can be checked in the IUID Registry (a user-id and password is required to check UIIs in the Registry)

If you don't have a scanner...

- Can use other item identifying information to check for the item in the IUID Registry (a user-id and password is required to check the Registry this way)

Resources:

Acquisition/Procurement Guide for Unique Item Traceability
Data Integrity

[http://www.acq.osd.mil/dpap/pdi/uid/docs/SOP_-_Unique_Item_Traceability_Data_Integrity_02252011_\(2\)_2\).pdf](http://www.acq.osd.mil/dpap/pdi/uid/docs/SOP_-_Unique_Item_Traceability_Data_Integrity_02252011_(2)_2).pdf)

Foreign Military Sales

- Security Assistance Programs are not exempt from IUID requirements
 - Policy developed with assistance from allies and in consideration of international standards
 - See DSCA Memo 24 Jan 05, “Unique Identification for Security Assistance Programs”
- Why apply IUID to FMS?
 - Financial Accountability
 - Integrity of US Supply system
 - Tracking of shipments – theft common at deployed locations in middle east

Contract Document

Read the contract as a whole – cross reference to ensure there are no inconsistencies and/or ambiguities

- Order of precedence 52.215-8 and 52.214-29
 - The Schedule (Part 1 of the UCF, excluding specs)
 - Representations and Other Instructions (Part IV)
 - Contract Clauses (Part II, Section I)
 - Other documents, exhibits and attachments (Part III, Section J)
 - The specifications (Part 1, Section C)
- For commercial items, 52.212-4 (s) contains order of precedence
 - Schedule
 - 52.212-4 (other paragraphs)
 - 52.212-5
 - Addenda
 - Other provisions (if solicitation)
 - Other documents, exhibits and attachments
 - Specifications

Bad Example - Section B

<p>0004AA</p>	<p><u>TOTAL PACKAGE FIELDING ITEMS - OPTION</u></p> <p>NOUN: TPF OPTION - SEP RETROFIT</p> <p>This is a separately priced option CLIN for one lot of TPF items for initial support of the 60 SEPV2 Retrofit vehicles under option CLIN 0002. The option may be unilaterally exercised by the Government in accordance with Special Provision H.16 not later than 31 January 2007.</p> <p>If the option is exercised, upon Government Inspection and Acceptance of the option quantity of TPF items identified in Attachment 007 that are required to be delivered FOB Destination to Ft. Hood, the lot price of \$2,707,044 shall be payable to the contractor.</p> <p>(End of narrative B001)</p>	<p>1</p>	<p>LO</p>		<p>\$ 2,707,044.00</p>
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Should be unit of issue "ea"

Cannot individually value each item in WAWF and registry – ideal situation for an exhibit

Bad Example – Items in Attachment

ATTACHMENT 007

AUTHORIZED STOCKAGE LIST/PREScribed LOAD LIST - TPF MATERIAL

<u>MRA</u>	<u>PART NUMBER</u>	<u>NOMENCLATURE</u>	<u>LU</u>	<u>UM</u>	<u>QTY</u>	<u>QTY</u>
					BASIC 60	OPTION 60
ASL	9377106	DESICCANT	P	EA	25	25
ASL	12345341	RELAY BOX ASSY	P	EA	3	3
ASL	12346280	SHOCK ABSORBER,DIRB	A	EA	2	2
ASL	12346290	COUPLER	P	EA	1	1
ASL	12347067	CCA	P	EA	1	1
ASL	12347123	CCA	P	EA	2	2
ASL	12347127	CCA	P	EA	2	2
ASL	12347220	WIRING HARNESS	P	EA	1	1
ASL	12387227	CIRCUIT CARD ASSY	P	EA	2	2
ASL	12387589	PULSE CONTROL	A	EA	2	2
ASL	12388013	SHOCK MOUNT	P	EA	3	3
ASL	12388171	AIR CLEANER VEE PAC	P	EA	24	24
ASL	12388567	CIRCUIT CARD ASSY.	P	EA	1	1
ASL	12388859	CABLE ASSY SPEC PURP	A	EA	1	1
ASL	12388865	DATA CNTL MOD CCA(A5	A	EA	1	1
ASL	12388870	HRSM	A	EA	2	2
ASL	12388875	AUX PWR CNTL MOD A6	A	EA	1	1
ASL	12437140	PC CARD LOS AZ/EL12	P	EA	3	3
ASL	12437296	OPTICAL RELAY	A	EA	2	2
ASL	12437402	FIRE SWITCH	P	EA	3	3
ASL	12437403	SWITCH ASSEMBLY	P	EA	3	3
ASL	12437404	GRIP ASSEMBLY	P	EA	3	3
ASL	12437443	DRY POWDER BOTTLE	P	EA	10	10
ASL	12437467	SLIP RING ASSY (SOUR	P	EA	2	2
ASL	12466941	GPS HEAD ASSY	A	EA	1	1
ASL	12467369	BEZEL SWITCH	P	EA	1	1
ASL	12467380	UBIM	P	EA	4	4
ASL	12467516	POWER SUPPLY	P	EA	8	8
ASL	12472808	400HZ POWER SUPPLY	P	EA	3	3
ASL	12472959	SENSOR,HULL-TURRET	A	EA	1	1

Instead, What about This?

Exhibit A CLIN 0003 Total Package Fielding Items

Item #	P/N	Nomenclature	Qty	U/I	UP	TP	I&A	DD	FOB	UII
A001	9377106	Desiccant	EA	25			SS	90 days ARO	Orig	N
A002	12345341	Relay Box Assy	EA	3			SS	90 days ARO	Orig	Y
A003	12346280	Shock Absorb	EA	2			SS	90 days ARO	Orig	Y
A004	12346290	Coupler	EA	1			SS	90 days ARO	Orig	Y
A005	12347220	Wiring Harness	EA	1			SS	90 days ARO	Orig	N
A006	12472959	Sensor, Hull	EA	1			SS	90 days ARO	Orig	Y
A007	12918973	Firing Mech	EA	2			SS	90 days ARO	Orig	Y

Bad Example – Clause does not track to line items

(1) The Contractor shall provide DoD unique item identification, or a DoD recognized unique identification equivalent, for-

(i) All items for which the Governments unit acquisition cost is \$5,000 or more; and

(ii) The following items for which the Governments unit acquisition cost is less than \$5,000:

Contract Line, Subline, or
Exhibit Line Item Number

Item Description

ATIRCM/CMWS
ATIRCM
CMES
JAM HEAD CONTROL UNIT
INFRARED JAMHEAD
INFRARED JAM LASER
OPTICAL COUPLER
ELECTRO-OPTICAL MISSILE SENSOR
ELECTRONIC CONTROL UNIT
ICMD DISPENSER
ECU COMMON POWER SUPPLY
ECU COMMON PROCESSOR
ELECTRO OPTICAL PREPROCESSOR
ECU COMMON POWER FILTER
ECU RELAY CCA
EOMS FILTER / OPTICAL ASSEMBLY
EOMS INTENSIFIER/VIDAR ASSEMBLY
EOMS FLEX ASSEMBLY
COUNTERMEASURE DISPENSER PAYLOAD SENSE
SYSTEM INTERFACE MODULE
SERVO AMPLIFIER
JAMHEAD POWER SUPPLY
RESOLVER TO DIGITAL CONVERTER ASSEMBLY
JAMHEAD ELECTRONICS INTERFACE
COMMON MODULE JAMHEAD CONTROL UNIT

These items are on CLINS and are well over \$5000 each; no need to place in 252.211-7003 (c) (ii). Covered by insertion of clause

The only other items listed here that are on a CLIN or SLIN are the ECU Common Power Filter and ECU Relay CCA (0130AA and 1031AA). What are others? Embedded? These need to be specifically identified.

(iii) Subassemblies, components, and parts embedded within items as specified in Exhibit Number
N/A or Contract Data Requirements List Item Number _N/A_.

IUID Contracting DOs

- DFARS 252.211-7003 in solicitations and contracts for supplies.
- Specify CLINs the clause applies to
- Identify any embedded components that are subject to IUID
- Include DFARS clause 252.232-7003 for the use of WAWF
- Ensure each deliverable has a separate CLIN, SLIN , or ELIN and a defined delivery schedule
- Ensure inspection and acceptance criteria are defined
- DFARS 252.211-7007 in solicitations and contracts with GFE

IUID Contracting DON'Ts

- Do Not lump dissimilar units of issue together as a lot or kit.
- Do Not specify a particular IUID construct which must be used.
- Do Not require the contractor to use Government-assigned identifiers for enterprise, part, or serial number.
- Do Not impose unusual payment or acceptance procedures through poorly structured CLINs, SLINs, and ELINs.
- Do Not use a prior contract award as a template without ensuring it is properly constructed.

QUESTIONS?