



March 29, 2011

Clare M. Zebrowski
Senior Procurement Analyst
OUSD (AT&L) DPAP/DARS
3060 Defense Pentagon
Room 3B855
Washington, DC 20301-3060

Subject: DFARS Case 2009-D043

Dear Ms. Zebrowski:

The Aerospace Industries Association (AIA) is pleased to respond to the request for comments on DFARS Case 2009-D043, Reporting of Government-Furnished Property. Our members are responsible for a significant amount of Government Property and also have a sizeable amount of company capital and expensed items that require similar accounting and management treatment processes. Furthermore, we have been involved in the Government's efforts to establish a unique identification infrastructure – registry, rules, guides, rollout implementation, etc. Our goal is to promote effective and efficient common processes.

We've looked at this case and have a number of concerns. Please see the attached work sheet where we provide by line item suggested revisions and comments. However, we believe that the proposed rule is premature. We have not been provided business rules; a business case, or a concept of operations for this proposed rule. This rule should not be released until there is proven significant value on a sample of existing programs.

We appreciate your action in providing a public meeting and consideration of our comments at the public meeting and these documents. If you have any questions or need additional information, please do not hesitate to contact me. I may be reached by phone at 703-358-1045 or by e-mail at richard.sylvester@aia-aerospace.org.

Sincerely,

A handwritten signature in black ink that reads 'Richard K. Sylvester'.

Richard K. Sylvester
Vice President, Acquisition Policy

Attachment

1	<p>[FR Doc. 2010-32099 Filed 12-21-10; 8:45 am] BILLING CODE 5001-08-P</p>	
2	<p>[Federal Register, December 22, 2010 (Volume 75, Number 245)] [Proposed Rules] [Page 80426-80430] From the Federal Register Online via GPO Access [wais.access.gpo.gov] [DOCID:fr22de10-28] ===== ===== = ----- ----- DEPARTMENT OF DEFENSE Defense Acquisition Regulations System 48 CFR Parts 211, 212, and 252 [DFARS Case 2009-D043] Defense Federal Acquisition Regulation Supplement; Reporting of Government-Furnished Property</p>	

		<p>AGENCY: Defense Acquisition Regulations System; Department of Defense (DoD).</p> <p>[[Page 80427]]</p>
<p>3</p>	<p>ACTION: Proposed rule with request for comments.</p> <p>-----</p> <p>SUMMARY: DoD proposes to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to revise and expand reporting requirements for Government-furnished property to include items uniquely and non-uniquely identified, and to clarify policy for contractor access to Government supply sources.</p> <p>DATES: Comments on the proposed rule should be submitted in writing to the address shown below on or before February 22, 2011, to be considered in the formation of the final rule.</p>	
<p>4</p>		<p>ADDRESSES: You may submit comments, identified by DFARS Case 2009-D043, using any of the following methods:</p>

o Regulations.gov:
<http://frwebgate.access.gpo.gov/cgi-bin/leaving.cgi?from=leavingFR.html&log=linklog&to=http://www.regulations.gov>.
Submit comments via the Federal eRulemaking portal by inputting "DFARS Case 2009-D043" under the heading "Enter keyword or ID" and selecting "Search." Select the link "Submit a Comment" that corresponds with "DFARS Case 2009-D043." Follow the instructions provided at the "Submit a Comment" screen. Please include your name, company name (if any), and "DFARS Case 2009-D043" on your attached document.

E-mail: dfars@osd.mil. Include DFARS Case 2009-D043 in the subject line of the message.

Fax: 703-602-0350.

Mail: Defense Acquisition Regulations System, Attn: Ms. Mary Overstreet, OUSD(AT&L)DPAP/DARS, 3060 Defense Pentagon, Room 3B855, Washington, DC 20301-3060.

Comments received generally will be posted without change to <http://frwebgate.access.gpo.gov/cgi-bin/leaving.cgi?from=leavingFR.html&log=linklog&to=http://www.regulations.gov>, including any personal information provided. To

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		<p>confirm receipt of your comment(s), please check http://frwebgate.access.gpo.gov/cgi-bin/leaving.cgi?from=leavingFR.html&log=linklog&to=http://www.regulations.gov approximately two to three days after submission to verify posting (except allow 30 days for posting of comments submitted by mail).</p>
<p>Understand Case Manager has changed to Clare Zebrowski. Mary Overstreet is now an editor---</p> <p>clare@zebrowski@osd.mil</p>		<p>FOR FURTHER INFORMATION CONTACT: Ms. Mary Overstreet, OUSD (AT&L) DPAP/ DARS, 3060 Defense Pentagon, Room 3B855, Washington, DC 20301-3060. Telephone 703-602-0311; facsimile 703-602-0350. Please cite DFARS Case 2009-D043.</p>
<p>We do not agree with the proposed rule :</p> <ul style="list-style-type: none"> • We believe that to eliminate the \$5000 floor for property reporting will expose hundreds of thousands of items to be reported...by an approximate factor of 9 of the existing special tooling and equipment. • The introduction of the "GFP Hub" -- for ALL other GFP without business rules and without a defined scope, purpose or use, is premature and does not have defined or proven benefits that exceed costs. 		<p>Current DFARS policy requires contractors to report to the DoD Item Unique Identification (IUID) Registry property that is classified as equipment, special tooling, and special test equipment items valued at \$5,000 or more, and items valued at less than \$5,000 when required in accordance with contract terms and conditions. In lieu of these dollar thresholds, reporting requirements are being revised and expanded to require contractors to report Government-furnished property (GFP) with existing unique item identification to the DoD IUID Registry, and all GFP without an existing unique item identification shall be</p>

<p>reported to the DoD GFP Hub.</p>	<ul style="list-style-type: none"> Records are already maintained; audited and reports generated to the Program Office in accordance with the terms of the contract. Duplication of records will only create additional work for reconciliation and increased staff -- not to mention system changes without identified benefits. Currently those with a need to know, have reports provided and identified in the contract. This is apparently providing information to those who do not have a need to know. This process is inconsistent with lean six-sigma approaches to work. This process is a "push" of all information rather than a "pull" of needed information on the GFP Hub. What we are seeing on the proposed rule is a lot of work going into the reporting of material that is irrelevant to operation and financial reporting. 	
<p>7</p> <p>SUPPLEMENTARY INFORMATION</p> <p>A. Background</p> <p>The clause at 252.211-7007, Reporting of Government-Furnished Equipment in the DoD Item Unique Identification (IUID) Registry, is being renamed as "Reporting of Government-Furnished Property," revised to expand definitions, and provide guidance on reporting</p>	<p>New requirement for receipt notification on MILSTRIP Items.</p> <p>No process in place -- not defined - no prototype or direction -- No indication of report method. Infrastructure? Benefits?</p> <p>Recommend Government make this a CDRL requirement when MILSTRIP is authorized in the contract. It is already required for CAV receipts. This will require duplicate or</p>	

<p>of GFP to the DoD IUJD Registry or the GFP Hub. This clause applies to commercial contracts that have GFP and reporting applicability, and is added to the list of solicitation provisions and contract clauses applicable to the acquisition of commercial items at 212.301.</p> <p>Additionally, the clause at 252.251-7000 is revised to require electronic receipts of property obtained from a Government supply source.</p>		<p>triplicate reporting and databases.</p>
<p>B. Regulatory Flexibility Act</p> <p>DoD has prepared an initial regulatory flexibility analysis consistent with 5 U.S.C. 603. A copy of the analysis may be obtained from the point of contact specified herein. The analysis is summarized as follows:</p> <p>The objective of the rule is to improve the accountability and control of DoD assets. This rule proposes to amend the Defense Federal Acquisition Regulation Supplement to revise and expand reporting requirements for Government-furnished equipment to include GFP that is both uniquely and non-uniquely identified, and clarifies policy for contractor access to Government supply</p>		<p>It is our opinion that this proposed rule does not meet the intent and criteria of President Obama's Executive Order (1/18/2011) and President Clinton's EO 18666 (2003) for the creation of government regulations.</p> <ul style="list-style-type: none"> • No consideration of understanding the significant cost of this requirement. • The objective, "to improve the accountability and control of DoD assets", overall is reasonable, however, DoD Capitalized Assets are \$100K and up and this rule is addressing ALL property including nuts and bolts; e.g., expensed items and consumable items. There does not appear to be any consideration of cost vs. benefits; life cycle costs; or materiality (useful information for decision makers for decision making).

sources. The proposed clause requires contractors to identify and report Government-furnished property with existing unique item identification to the DoD IUID Registry; and all GFP without an existing unique item identification shall be reported to the DoD GFP Hub. At this time, DoD is unable to estimate the number of small entities to which this rule will apply. Therefore, DoD invites comments from small business concerns and other interested parties on the expected impact of this rule on small entities.

DoD will also consider comments from small entities concerning the existing regulations in subparts affected by this rule in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 610 (DFARS Case 2009-D043) in correspondence.

- Items for production purposes are not available for use for other purposes and having these in a registry may in fact distract the attention from those that are available.
 - Cost of equipment and material located at contractor site are already in Government asset accounts or has been expensed. Having these in a registry may lead to double counting.
- Who is going to use this data? Why duplication of recordkeeping? Contractors do not see the benefit to the war fighter.
- Furthermore, the soon-to-be published update to DoDI 500.64 includes a requirement to use the current standard ASTM E53 2279 which says in 5.17: Reports of property related information should be useful – particularly to decision makers. Reports should reflect the qualitative characteristics of good reporting: relevance, reliability, comparability, and consistency; each subject to the constraints of materiality and costs and benefits (Ref. Financial Accounting Concepts, Statement No. 2 Qualitative Characteristics of Accounting Information and Statement of Federal Financial Accounting Concepts 1: Objectives of Federal Financial Reporting)

<p>9</p>	<p>Paperwork Reduction Act</p> <p>The Paperwork Reduction Act (Pub. L. 96-511) applies because the rule imposes information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, et seq. The information collection requirements under this proposed rule were formerly approved by the Office of Management and Budget, under clearance number 0704-0246. The requirements of this proposed rule are expected to have only a marginal impact, and are not expected to change the overall burden hours approved under clearance number 0704-0246. The rule removes the mandatory \$5,000 unit acquisition cost dollar threshold for reporting. This does not significantly impact items valued at less than \$5,000 in unit acquisition cost as they were also previously required to be reported if they were serially managed, mission essential, sensitive, or controlled inventory. While the proposed rule adds reporting of Government-furnished material and reparables, this additional requirement is expected to be offset by removal of the \$5,000 mandatory reporting threshold.</p>	<p>Note: We requested and received a copy Deleted: the regulatory flexibility analysis. We do not believe that this review was adequate for the rule proposed.</p> <p>As presented herein, it is not evident what additional paperwork will be required.</p> <p>Some of the reparables will be UID required and others will not (based on dollar threshold)</p> <p>-Problem when removing a repairable from an item and trying to report the removal when it wasn't previously in the hub/registry. Will the Services be required to input removals from the platform (e.g. Aircraft, Helicopter, Ship, System) LRU or WRA into the registry/hub? What direction will they be given? Will they input into the registry/hub that they returned to contractor for rework/repair? What is the breath of this initiative?</p> <p>Disagree with assessment of "this does not significantly impact items valued at less than \$5,000.... As the rule greatly expands reporting to include ALL GFP. Whether it is going to the IUID Registry or the GFP Hub doesn't matter; the additional reporting requirement is tremendous at the item level. Previous reporting requirements, e.g. DD1662 was at a contract summary level by property type.</p>
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<p>Interested parties are invited to provide comments on the potential impact. List of Subjects in 48 CFR Parts 211, 212, and 252</p> <p>Government procurement.</p> <p>Ynette R. Shelkin, Editor, Defense Acquisition Regulations System.</p>	<p>We do not see any evidence on how the removal of the \$5,000 in unit acquisition reduces reporting. It expands variation and the complexity.</p> <p>In addition, there will be major managing issues as each program/contract determines which item is managed...which, may mean an item is both managed or not managed depending on program. This will result in manual updates versus systemic updates. (many major system changes at multiple locations required) Impact to the entire ERP process.</p> <p>Current management and reporting of equipment items is a simple one; it must be over \$5,000 unit acquisition cost for equipment items. This introduces an unknown amount of variables...truly complicating reporting. In lieu of the contract being silent on threshold or item, what is, in fact, reportable?</p> <p>As presented, no contractor would know how to implement this.</p>
<p>10</p> <p>11</p> <p>12</p> <p>Therefore, DoD proposes to amend 48 CFR parts 211, 212, and 252 as follows:</p> <p>1. The authority citation for 48 CFR parts 211, 212, and 252,</p>	

		<p>continues to read as follows:</p> <p>Authority: 41 U.S.C. 421 and 48 CFR Chapter 1.</p>
		<p>PART 211 -- DESCRIBING AGENCY NEEDS</p> <p>2. Amend section 211.274-2, by revising paragraph (b)(2)(ii) to read as follows:</p> <p>211.274-2 Policy for unique item identification.</p> <p>*****</p> <p>(b)(2)(ii) The DoD Unique Identification Policy Office must receive a copy of the determination and findings required by paragraph (b)(2)(i) of this subsection. Send the copy to DPAP/Program Development and Implementation, Deputy Director, 3060</p> <p>[[Page 80428]]</p> <p>PART 211 -- DESCRIBING AGENCY NEEDS</p> <p>2. Amend section 211.274-2, by revising paragraph (b)(2)(ii) to read as follows:</p> <p>211.274-2 Policy for unique item identification.</p> <p>*****</p>

14	<p>(b)(2)(ii) The DoD Unique Identification Policy Office must receive a copy of the determination and findings required by paragraph (b)(2)(i) of this subsection. Send the copy to DPAP/Program Development and Implementation, Deputy Director, 3060 [[Page 80428]]</p>		
15	<p>Defense Pentagon, 3B855, Washington, DC 20301-3060; or by facsimile to 703-602-6047. 3. Revise section 211.274-4 to read as follows:</p>		
16	<p>211.274-4 Policy for reporting of Government-furnished property. (a) It is DoD policy that all Government-furnished property be recorded in the DoD Item Unique Identification (IUID) Registry or GFP Hub, as defined in the clause at 252.211-7007, Reporting of Government-Furnished Property, as follows:</p>		<p>When we initially started out with IUID at the joint industry/Government (2002/2003), establishing business rules for the operating guide. Once the operating the guide was settled and changed and MIL-STD-130 updated, then 252.211-7003 was published ~ 2005. In this case, we are going from a draft rule to a final rule that includes the use of a GFP hub that is not in existence or has not been shared with industry – therefore not giving contractors a fair understanding of what is entailed.</p>

<p>Prior rules allowed contractors to participate in generation of business rules and system test.</p> <p>Other comments: What is the Hub; will it be linked to the UID registry? Will it require the Contractor to create an interface for hub uploads? Why material? Coding change required for the \$5000 threshold? Flag to ensure we don't double report Recommend not establish the GFP Hub infrastructure! We believe it falls on the basis of cost and benefit considerations. It is outside the nature flow of production which is acquisition, use and disposition...all of which have processes; audits; and results.</p>		
<p>See Line 9 above.</p> <p>Need clear business rules on what is included and what is not included, e.g., equipment items under \$5,000 and ALL material – is that just stock inventory, WIP, Over \$5000 under \$5000; consumables;</p>	<p>(1) All property with an existing DoD assigned 2D data matrix Unique Item Identifier (UII) shall be reported to the DoD IUID Registry.</p>	<p>(1) All property with an existing assigned Unique Item Identifier (UII) shall be reported to the DoD IUID Registry.</p> <p>(2) All property without an existing assigned UII shall be reported to the GFP Hub.</p> <p>(b) The following items are not required to be reported:</p>

<p>bench stock; salvage items; fuel, sand, paperclips, chemicals; paint; POL stock; rolls of sheet metal -</p> <p><u>ALL</u> is an unreasonable requirement. The cost to manage ALL is a significant impact to <u>ALL</u>. It would require managing 2 sets of records; our own records which support not only the current FAR government Property clause but also our business processes. We already have rules to cover GP and Material (MMAS) both of which are audited.</p> <p>The benefits of creating this information is questionable and in conflict with both President Obama's Executive Order (1/18/2011) and President Clinton's EO 18666 (2003).</p> <p>(2) Consumables, expendables, sunk costs -- should be considered; defined and determined what is included or excluded from this rule.</p>		
<p>(1) Contractor-acquired property as defined in FAR part 45;</p> <p>(2) Property under any statutory leasing authority;</p> <p>(3) Property to which the Government has acquired a lien or title solely because of partial, advance, progress, or performance-based payments;</p> <p>(4) Intellectual property or software; and</p> <p>(5) Real property.</p> <p>4. Revise section 211.274-6 to read as follows:</p> <p>211.274-6 Contract clauses.</p>		
<p>18</p>	<p>(a)(1) Use the clause at 252.211-7003, Item Identification and Valuation, in solicitations and contracts that--</p>	

19	<p>(i) Require item identification or valuation, or both, in accordance with 211.274-2 and 211.274-3; or</p> <p>(ii) Are cost-reimbursement contracts that may result in the acquisition of contractor-acquired property (see FAR 45.101).</p>		
20	<p>(2) Complete paragraph (c)(1)(ii) of the clause with the contract line, subline, or exhibit line item number and description of any item(s) below \$5,000 in unit acquisition cost for which DoD unique item identification or a DoD-recognized unique identification equivalent is required in accordance with 211.274-2(a)(2) or (3).</p>		<p>Business rules need to be developed and concept tested before rule is created.</p>
21	<p>(3) Complete paragraph (c)(1)(iii) of the clause with the applicable attachment number, when DoD unique item identification or a DoD-recognized unique identification equivalent is required in accordance with 211.274-2(a)(4) for DoD serially managed subassemblies, components, or parts embedded within deliverable items.</p>		
22	<p>(4) Use the clause with its Alternate I if--</p> <p>(i) An exception in 211.274-2(b) applies; or</p>		
23	<p>(ii) Items are to be delivered to the Government and none of the criteria for placing a unique item identification mark applies.</p>		

24		<p>(b) Use the clause at 252.211-7007, Reporting of Government-Furnished Property, in solicitations and contracts that contain the clause at--</p>		
25		<p>(1) FAR 52.245-1, Government Property; or</p>		
26		<p>(2) FAR 52.245-2, Government Property Installation Operation Services.</p>		
27		<p>(c) Use the clause at 252.211-7008, Use of Government-Assigned Serial Numbers, in solicitations and contracts that--</p>		
28		<p>(1) Contain the clause at 252.211-7003, Item Identification and Valuation; and</p>		
29		<p>(2) Require the contractor to mark major end items under the terms and conditions of the contract.</p>	<p>(2) Require the contractor to mark major end items under the terms and conditions of the contract.</p>	<p>Redundant. Isn't this what (1) is addressing</p>
30		<p>PART 212--ACQUISITION OF COMMERCIAL ITEMS</p>		
31		<p>5. Revise section 212.301 to read as follows:</p>		
		<p>212.301 Solicitation provisions and contract clauses for the acquisition of commercial</p>		

32	<p>items.</p> <p>(f) The following additional provisions and clauses apply to DoD solicitations and contracts for the acquisition of commercial items. If the offeror has completed the provisions listed in paragraph (f)(i) or (ii) of this section electronically as part of its annual representations and certifications at http://fwwebgate.access.gpo.gov/cgi-bin/leaving.cgi?from=leavingFR.html&log=linklog&to=https://orca.bpn.gov, the contracting officer may consider this information instead of requiring the offeror to complete these provisions for a particular solicitation.</p>		<p>Hyperlinks should not be included in regulations without regulatory review. They are good for current correspondence but not long term regulation. Experience has shown that links get broken by server changes; equipment changes...leading to inefficiency.</p>
33	<p>(i) Use one of the following provisions as prescribed in part 225: (A) 252.225-7000, Buy American Act--Balance of Payments Program Certificate. (B) 252.225-7020, Trade Agreements Certificate. (C) 252.225-7035, Buy American Act--Free Trade Agreements--Balance of Payments Program Certificate.</p>		
34			
35	<p>(ii) Use the provision at 252.212-7000, Offeror Representations and Certifications--Commercial Items, in all solicitations for commercial items exceeding the simplified acquisition threshold. If an</p>		

	<p>exception to 10 U.S.C. 2410j applies to a solicitation exceeding the simplified acquisition threshold (see 225.7603), indicate on an addendum that "The certification in paragraph (b) of the provision at 252.212-7000 does not apply to this solicitation."</p>		
36	<p>(iii) Use the clause at 252.212-7001, Contract Terms and Conditions Required to Implement Statutes or Executive Orders Applicable to Defense Acquisitions of Commercial Items, in all solicitations and contracts for commercial items, completing paragraphs (a) and (b), as appropriate.</p>		
37	<p>(iv) Provisions and clauses prescribed elsewhere in DFARS as follows: (A) Use the provision at 252.209-7001, Disclosure of Ownership or Control by the Government of a Terrorist Country, as prescribed in 209.104-70(a).</p>		
38	<p>(B) Use the clause at 252.211-7003, Item Identification and Valuation, as prescribed in 211.274-6. (C) Use the clause at 252.211-7006, Radio Frequency Identification, as prescribed in 211.275-3.</p>		
39	<p>(D) Use the clause at 252.211-7007, Reporting of Government-Furnished Property, as prescribed in DFARS 211.274-6.</p>		

40	<p>(E) Use the provision at 252.225-7010, Commercial Derivative Military Article--Specialty Metals Compliance Certificate, as prescribed in 225.7003-5(b).</p>		
41	<p>(F) Use the clause at 252.225-7040, Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States, as prescribed in 225.7402-4.</p>		
42	<p>(G) Use the clause at 252.225-7043, Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States, in solicitations and contracts that include the clause at 252.225-7040.</p>		
43	<p>(H) Use the clause at 252.232-7009, Mandatory Payment by Government wide Commercial Purchase Card, as prescribed in 232.1110.</p>		
44	<p>(I) Use the clause at 252.232-7010, Levies on Contract Payments, as prescribed in 232.7102.</p>		
45	<p>(J) Use the clause at 252.232-7011, Payments in Support of Emergencies and Contingency Operations, as prescribed in 232.908.</p>		

46	(K) Use the clause at 252.246-7003, Notification of Potential Safety Issues, as prescribed in 246.371.		
47	(L) Use the provision at 252.247-7026, Evaluation Preference for Use of Domestic Shipyards--Applicable to Acquisition of Carriage by Vessel for DoD Cargo in the Coastwise or Noncontiguous Trade, as prescribed in 247.574(e).		
48	(M) Use the clause at 252.247-7027, Riding Gang Member Requirements, as prescribed in 247.574(f). [[Page 80429]]		
49	PART 252--SOLICITATION PROVISIONS AND CONTRACT CLAUSES 6. Revise section 252.211-7007 to read as follows:		
50	252.211-7007 Reporting of Government-Furnished Property. As prescribed in 211.274-6(b), use the following clause: Reporting of Government-Furnished Property (Date)		

51	(a) Definitions. As used in this clause--	
52	Acquisition cost, for Government-furnished property, means the amount identified in the contract, or in the absence of such identification, the item's fair market value.	Acquisition cost for Government-furnished property, means the amount identified in the contract, or in the absence of such identification, the item's fair market value.
	Remove "comma" acquisition cost so that it reads: Acquisition cost for Government-furnished property, means... This will alleviate confusion with the FAR 52.245-1 definition of "Acquisition cost" means the cost to acquire a tangible capital asset including the purchase price of the asset and costs necessary to prepare the asset for use. Costs necessary to prepare the asset for use include the cost of placing the asset in location and bringing the asset to a condition necessary for normal or expected use.	
53	Commercial and Government entity (CAGE) code means-- (1) A code assigned by the Defense Logistics Information Service (DLIS) to identify a commercial or Government entity; or (2) A code assigned by a member of the North Atlantic Treaty Organization that DLIS records and maintains in the CAGE master file. This type of code is known as an "NCAGE code."	
54	Government-furnished property (GFP) means property in the possession of, or directly acquired by, the Government and subsequently furnished to the contractor for performance of a contract, including	Use the same definition as in FAR 52.245-1. Government-furnished property" means property in the possession of, or directly acquired by, the Government and subsequently furnished to the Contractor for performance of a contract. Addition of

<p>performance by subcontractors and at prime contractor alternate locations. Government-furnished property includes repairables, e.g., spares and property furnished for repair, maintenance, overhaul, or modification; and Government-furnished material that is requisitioned from Government supply sources without reimbursement by the contractor.</p>		<p>repairables and GFM will require substantial labor and efforts due to the dynamics and fluidity of material....these are transaction intensive...and will entail totally new business systems and processes to manage at this level driving cost for unknown benefits.</p> <p>A better solution would be to meet with industry, explain the requirements and reach a consensus of how to best provide information at the least cost to the taxpayer.</p> <p>The Government should keep in mind that fixed price contracts that require this level of detailed part management will require equitable adjustments to comply.</p>
<p>55</p> <p>GFP Hub means an automated data base for capturing records of Government-furnished property sent on a non-reimbursable basis to a contractor without a unique item identifier assigned.</p>	<p>Suggest removing "non-reimbursable" This causes confusion. Item not reimbursable but the labor is.</p>	<p>Suggest removing "non-reimbursable" This causes confusion. Item not reimbursable but the labor is. If the intent is to cover MILSTRIP items or GFP , state it plainly.</p> <p>What exactly is the GFP Hub Database -- there is no data base at this point. Therefore, unfair to contractors to determine and understand the scope of the HUB.</p> <p>Do not know if this means installing items in higher assemblies or how to handle GFP that is assembled with CAP and subsequently delivered....or placed back in inventory until needed.</p>

<p>56</p> <p>Item means a single hardware article or a single unit formed by a grouping of subassemblies, components, or constituent parts.</p>	
<p>57</p> <p>IUID Registry means-- (1) The authoritative source of Government unit acquisition cost for items with unique item identifiers acquired after January 1, 2004, for unique item identifier pedigree data established at delivery, as defined by DFARS 252.211-7003; (2) The master data source for Government-furnished property; and (3) An authoritative source for establishing the full cost of end-item equipment.</p>	<p>Definition not in 7003.</p> <p>Current 7007 definition: “IUID Registry” means the DoD data repository that receives input from both industry and Government sources and provides storage of, and access to, data that identifies and describes tangible Government personal property.</p> <p>On item (3): Do not understand how this is an authoritative source for establishing the full cost of end item equipment as we do not know nor see how it could be. Needs explanation so that contractor’s understand what to identify as acquisition cost on items received.</p> <p>We believe that full cost – which is not defined in here – includes Item cost at delivery plus GFM installed plus Govt labor/prog costs</p> <p>Note: how do we include a disclaimer that protects the contractor once data is submitted that we are not responsible for in the event of</p>

manipulation, or theft?			
58	National stock number (NSN) means a 13-digit stock number used to identify items of supply. It consists of a 4-digit Federal Supply Code and a 9-digit National Item Identification Number.	Add "or" after # 1 Add Item : (4) Name/nomenclature identified on Government documentation furnishing item to contractor.	How does contractor know if (1) (2) or (3) is true? Where would one find out? Would not looking it up be an item of deficiency? 52.245-1 calls for "name" of item which is consistent with the terms on shipping documents (DD1149/ DD1348 or DD250) All terms need to be consistent with documents/contracts/ CLINS/SLINS/ Mil Std/ UID Guides/Business Rules etc.
59	Nomenclature means-- (1) The combination of a Government- assigned type designation and an approved item name; (2) Names assigned to kinds and groups of products; or (3) Formal designations assigned to a product by customer or supplier (such as model number, or model type, design differentiation, specific design series or configuration).identifier assigned by the original design activity, or by the controlling nationally recognized standard, that uniquely identifies (relative to that design activity) a specific item such as a model number or tail number.	
60	Part or identifying number (PIN) means the identifier assigned by the original design activity, or by the controlling nationally recognized standard, that uniquely identifies (relative to that design activity) a specific item. Serial number means an assigned		

<p>designations that provide a means of identifying a specific individual item.</p>	<p>Special test equipment means either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in performing a contract. It consists of items or assemblies of equipment including foundations and similar improvements necessary for installing special test equipment, and standard or general purpose items or components that are interconnected and interdependent so as to become a new functional entity for special testing purposes. Special test equipment does not include material, special tooling, real property, or equipment items used for general testing purposes, or property that with relatively minor expense can be made suitable for general purpose use.</p>	<p>Delete paragraph</p>	<p>Duplicate of FAR part 2- See FAR Part 1</p>
<p>Special tooling means jigs, dies, fixtures, molds, patterns, taps, gauges, and all components of these items, including foundations and similar improvements necessary for installing special tooling, and which are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular</p>	<p>Delete paragraph</p>	<p>Duplicate of FAR part 2- See FAR Part 1</p>	<p>Duplicate of FAR part 2- See FAR Part 1</p>

	services. Special tooling does not include material, special test equipment, real property, equipment, machine tools, or similar capital items.		
63	Supply condition code means a classification of materiel in terms of readiness for issue and use or to identify action underway to change the status of materiel.		Need to understand how this is going to be required and who will be the authoritative source for condition coding. Is this off of Government shipping documents? What is business rule if not supplied?
64	Supply condition code A--serviceable means new, used, repaired, or reconditioned materiel which is serviceable and issuable to all customers without limitation or restriction; includes materiel with more than 6 months shelf life remaining.	Delete paragraph	Remove; definition previous definition in 252. 245-606-5. Make sure definitions are consistent and not defined in both locations.
65	Supply condition code F--unserviceable (repairable) means economically repairable materiel which requires repair, overhaul, or reconditioning; includes repairable items which are radioactively contaminated.	Delete paragraph	Remove; definition previous definition in 252. 245-606-5. Make sure definitions are consistent and not define in both locations.
66	Supply condition code G--unserviceable (incomplete) means materiel requiring additional parts or components to complete the end item prior to issue.	Delete paragraph	Remove; definition previous definition in 252. 245-606-5. Make sure definitions are consistent and not location in both locations.
67	Supply condition code H--unserviceable (beyond repair) means materiel which has	Delete paragraph	Remove; definition previous definition in 252. 245-606-5. Make sure

<p>68</p> <p>been determined to be unserviceable and does not meet repair criteria; includes condemned items which are radioactively contaminated.</p> <p>Supply condition code J--suspended (misidentified or misdirected to the facility) means materiel in stock which has been suspended from issue pending condition classification or analysis, where the true condition is not known.</p>	<p>Delete paragraph</p>	<p>definitions are consistent and not location in both locations.</p> <p>Remove; definition previous definition in 252. 245-606-5. Make sure definitions are consistent and not location in both locations.</p>
<p>68a</p>	<p>Or, add Supply condition code S- Unserviceable (SCRAP – only for transactions involving shipments to Defense Reutilization and Marketing Office (DRMO) or Items that have no value except for basic materiel content. No stock will be reordered as on hand in condition code S.</p> <p>Note: DRMO has a name change DLA Disposition Services</p>	<p>Add Condition Code (S) applicable to property management process and required for PCARSS processing.</p> <p>If condition codes remain in this document, then add S.</p>
<p>69</p> <p>Type designation means a combination of letters and numbers arranged in a specific sequence to provide a short significant method of identification.</p>		<p>Recommend expanding or give an example here.</p>
<p>70</p> <p>Unique item identifier (UII) means a set of data elements permanently marked on an</p>		

	<p>item that is globally unique and unambiguous and never changes, in order to provide traceability of the item throughout its total life cycle. The term includes a concatenated UJI or a DoD recognized unique identification equivalent.</p>		
71	<p>Unit of issue means the physical measurement of count or quantity (such as each, dozen, gallon, or kilogram) in which an item is procured, stored, and released.</p>	<p>Change to : Unit of measure means the physical</p>	<p>Consistent with 52.245-1</p>
72	<p>(b) Requirement for reporting of Government-furnished property (GFP) to the DoD Item Unique Identification (IUID) Registry or GFP Hub. Except as provided in paragraph (c) of this clause, the contractor shall report to the DoD IUID Registry or the GFP Hub, as appropriate--</p>		
73	<p>(1) All GFP with an existing Unique Item Identifier (UII) assigned shall be reported to the DoD IUID Registry.</p>		<p>Clarify that these items are already marked and in the IUID Registry and that this effort is to acknowledge receipt...If so, it should be so stated.</p>
74	<p>(2) All GFP without an existing UJI assigned shall be reported to the GFP Hub.</p>	<p>Delete;</p>	<p>Not efficient/cost effective to have 2 databases. Ref FAR 1.102-2b Minimize Administrative Operating Cost Not consistent with Carter Memo dated 30 Dec 2010 – "Secondary items that do not meet any of these criteria, and for which property</p>

	<p>accountability requirements are met by determining the quantity on hand, are not required to be UID marked and registered.” The GFP Hub is a registry.</p> <p>Recommend a CDRL be put in the contract for material position reports. We believe that there are major affordability issues with this requirement. If this is driven by the elimination of the DD1662 requirement, do a report – transaction based items are fluid and developing and maintaining 2 databases is costly. Contractors would need to double staff for record keeping and reconciling systems. This will be very labor intensive.</p> <p>-If you do not delete, clarify by stating All “accountable” GFP. -Consider a minimum dollar threshold for the hub. -Transactionally based and requires a daily upload to the Hub.</p> <p>As previously stated A better solution would be to meet with industry and identify how to best provide</p>
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75			information. For instance, providing a once a month list of material in stock rooms could be provided outside of our firewalls for the govt to use as necessary to compare to deliveries which identify GFP installed. The govt should set up a system to pull the information they need for their comparisons.
76	(c) Exceptions. Paragraph (b) of this clause does not apply to--		
77	(1) Contractor-acquired property that has not been delivered to, and accepted by, the Government;		
78	(2) Property under any statutory leasing authority;		
79	(3) Property to which the Government has acquired a lien or title solely because of partial, advance, progress, or performance-based payments;		
80	(4) Intellectual property or software; or (5) Real property.		
		:Add	This is part of developing the

<p>81</p> <p>(d) When required by contract terms and conditions, the contractor shall assign a U/I to each item of GFP, including those items previously reported to the GFP Hub. Upon U/I assignment and reporting, the contractor shall debit the property record from the GFP Hub.</p>	<p>(6) material that is already serially managed, (7) expendable (8) repairable and child components (9) Components of top assemblies Delete;</p>	<p>business rules.</p> <p>Not efficient/cost effective to have 2 databases. Ref FAR 1.102-2b Minimize Administrative Operating Cost Not consistent with Carter Memo dated 30 Dec 2010 – “Secondary items that do not meet any of these criteria, and for which property accountability requirements are met by determining the quantity on hand, are not required to be IUID marked and registered.” The GFP Hub is a registry.</p> <p>This requires 2 different databases. Not cost effective to have 2 databases. IT will be required to create triggers and interfaces between contractor system and Hub. -Additional transactions to conduct Adds and Deletes when an item changes from a Hub requirement to a U/I requirement. Should not be a Contractor responsibility.</p> <p>This process also does not take into</p>
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	<p>(e) Procedures for establishing UILs. To permit reporting of virtual UILs to the DoD ILUID Registry, the Contractor's property management system shall enable the following data elements in addition to those required by paragraphs (f)(1)(iii)(A)(1) through (3), (5), (7), (8), and (10) of the Government Property clause of this contract (FAR 52.245-1):</p>		<p>consideration current approved practices of Receipt and Issue.</p>
82	<p>(1) Parent UIL.</p>		<p>Concur all items are managed at the end item.</p>
83	<p>(2) UIL as required by FAR 52.245-1(f)(1)(iii)(A)(4).</p>		
84	<p>(3) Received/sent (shipped) date as required by FAR 52.245-1(f)(1)(iii)(A)(9).</p>		
85	<p>(4) Category code, if applicable ("ST" for special tooling, "STE" for special test equipment).</p>		<p>What happens if item changes from STE to Equipment? Do we remove from the registry or just change the code? -Requires modification of template to upload.</p>
86	<p>(5) Supply condition code ("A" for serviceable, "F" for unserviceable (repairable), "G" for unserviceable</p>		<p>Add (S) Scrap (no value except for</p>

	(incomplete), ``H'' for unserviceable (beyond repair), ``J'' suspended (misidentified or misdirected to the facility).		material content) – Required for PCARSS. What happens if the supply condition code changes during the life of the property?
88	(6) Accountable contract number (as required by FAR 52.245-1(f)(1)(iii)(A)(6)).		
89	(7) Commercial and Government Entity (CAGE) code on the accountable contract.		New
90	(8) Mark record.		
91	[[Page 80430]] (i) Bagged or tagged code (for items too small to individually tag or mark).		
92	(ii) Contents (the type of information recorded on the item, e.g., item internal control number).		
93	(iii) Effective date (date the mark is applied).		
94	(iv) Added or removed code/flag.		
95	(v) Marker code (designates which code is used in the marker identifier, e.g., D=CAGE, UN=DUNS,		

	LD=DODAAC).			
96	(vi) Marker identifier, e.g., Contractor's CAGE code or DUNS number. (vii) Medium code; how the data is recorded, e.g., barcode, contact memory button.			
97	(viii) Value, e.g., actual text or data string that is recorded in its human-readable form.			
98	(ix) Set (used to group marks when multiple sets exist).			
99	(f) Procedures for reporting of Government-furnished property to the IUID Registry or the GFP Hub. Except as provided in paragraph (c) of this clause--			
100	(1) GFP with a UJI assigned--The Contractor shall establish and report to the IUID Registry the information required by FAR clause 52.245-1, paragraphs (e) and (f)(1)(iii), in accordance with the data submission procedures at http://frwebgate.access.gpo.gov/cgi-bin/leaving.cgi?from=leavingFR.html&log=linklog&to=http://www.acq.osd.mil/dpap/pdi/uid/data_submission_information.html .			Do not include links in the regulations per previous comment.
101	(2) GFP without a UJI assigned--The			Do not include links in the regulations

<p>Contractor shall submit the following information in accordance with the instructions at http://frwebgate.access.gpo.gov/cgi-bin/leaving.cgi?from=leavingFR.html&log=linklog&to=http://www.acq.osd.mil/dpap/pdi/uid/data_submission_information.html.</p> <p>Common data elements include the following:</p> <ul style="list-style-type: none"> (i) Description/nomenclature. (ii) Type designation, if assigned. (iii) NSN. (iv) PIN. (v) CAGE code of reporting contractor. (vi) Supply condition code per paragraph (e)(5) of this clause. (vii) Unit acquisition cost. (viii) Contract number. (ix) Quantity. (x) Unit of issue. (xi) Serial number, if assigned. 	<p>(iii) NSN (if assigned)</p> <p>(vii) Acquisition cost or estimate.</p>	<p>per previous comment.</p> <p>See Comments on Line 17</p> <p>This system is not tested and do not know if it will work. Creating rules to something that doesn't exist. Difficult to comment on something we haven't seen, used or demonstrated.</p>
<p>(g) Procedures for updating the DoD IUID Registry. The Contractor shall update the DoD IUID Registry at http://frwebgate.access.gpo.gov/cgi-bin/leaving.cgi?from=leavingFR.html&log=linklog&to=https://www.bpn.gov/iuid for changes in status, mark, custody, condition code, or disposition of items--</p> <p>(1) Delivered or shipped from the Contractor's plant, under Government instructions, except when shipment is to a subcontractor</p>	<p>Recommend not having a link in the Clause. This link does not send one to the location for the link.</p> <p>What is the frequency? Upon each event?</p> <p>Double labor and staffing.</p> <p>This appears to require system integration of many systems (GFM, ST, EQ, Repairables, CAV). Without</p>	<p>102</p>

<p>or other location of the Contractor; (2) Consumed or expended, reasonably and properly, or otherwise accounted for, in the performance of the contract as determined by the Government property administrator, including reasonable inventory adjustments; (3) Disposed of; or (4) Transferred to a follow-on or other contract. (End of clause)</p>	<p>system integration, manual transactions required....very labor intensive. Thought: (1) Delivered or shipped from the Contractor's plant, under Government instructions, except when shipment is to a subcontractor or other location of the Contractor; change WAWF to include GFM BOM with UJI – capture the information (2) Consumed or expended, reasonably and properly, or otherwise accounted for, in the performance of the contract as determined by the Government property administrator, including reasonable inventory adjustments. We would expect that expendable material would be retired and not reportable upon receipt. DCMA conducts consumption reviews on GFM. If the Government is supplying the quantity needed and identified in the contract, the consumption review should be sufficient.</p>
<p>103</p> <p>7. Amend section 252.251-7000 by removing "(NOV 2004)" and adding</p>	<p>3 3</p>

	in its place "(XXX-XXXX)", revising introductory paragraph (c), and revising paragraphs (d) through (f) to read as follows:		
104	252.251-7000 Ordering From Government Supply Sources. * * * * *		
105	(c) When placing orders for Government stock [on a reimbursable basis], the Contractor shall-- * * *		
106	(d) When placing orders for Government stock on a non-reimbursable basis, the Contractor shall--		
107	(1) Comply with the requirements of the Contracting Officer's authorization.		
108	(2) When using electronic transactions to submit requisitions on a non-reimbursable basis only, orders shall be placed by authorizing contract number using the Defense Logistics Management System (DLMS) Supplement to Federal Implementation Convention 511R, Requisition; and receipts shall be acknowledged by authorizing contract number using the DLMS Supplement 527R, Receipt, Inquiry, Response and Material Receipt Acknowledgement.		

109	<p>(e) Only the Contractor may request authorization for subcontractor use of Government supply sources. The Contracting Officer will not grant authorizations for subcontractor use without approval of the Contractor.</p>		
110	<p>(f) Government invoices shall be submitted to the Contractor's billing address, and Contractor payments shall be sent to the Government remittance address specified below:</p>		
111	<p>Contractor's Billing Address (include point of contact and telephone number):</p>		
112	<p>Government Remittance Address (include point of contact and telephone number): (End of clause)</p>		
113	<p>[FR Doc. 2010-32099 Filed 12-21-10; 8:45 am] BILLING CODE 5001-08-P</p>		
114			