



July 6, 2010

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

Subject: DFARS Case 2008-D050, Marking of Government-Furnished Property

Dear Ms. Overstreet:

The Aerospace Industries Association (AIA), on behalf of its over 300 member companies, is pleased to respond to the request for comments published in the May 7, 2010, Federal Register, regarding marking of Government-furnished property. AIA companies embody every high-technology manufacturing segment of the U.S. aerospace and defense industry from commercial aviation and avionics, to manned and unmanned defense systems, to space technologies and satellite communications. The proposed rule would require contractors to tag, label, or mark items of Government-furnished property identified in the contract when the Government-furnished property is subject to serialized item management.

AIA supports the intent of the proposed rule and believes that the rule would clarify the marking requirements. We offer two comments to further improve this proposed rule. First, we recommend that language be added to the final 252.211-70YY clause in section (b) that would have the Government provide drawings and instructions to the contractor on how and where to mark the Government-furnished property. This language is necessary to avoid improper markings that might cause structural damage to the item. Second, the final rule should include specific language that contractor acquired special tooling and special test equipment, having been physically marked by the contractor, and subsequently contractor transferred in place, does not have to be re-tagged, re-labeled, or re-marked until the tooling or test equipment leaves the contractor's possession or accountability. This will reduce the cost of marking those items that will be declared excess at contract close-out. Attached for your use is a matrix that shows our recommendations in the context of the proposed rule.

Finally, we would remind the Government that on-going contracts were not priced with the implementation of this rule in mind. Therefore, there may be a need for pricing adjustments for those contracts.

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We appreciate your consideration of these comments. If you have any questions or need additional information, please do not hesitate to contact me. I may be reached by phone at (703) 358-1087 or by e-mail at susan.tonner@aia-aerospace.org.

Sincerely,

A handwritten signature in cursive script that reads "Susan K. Tonner".

Susan Tonner
Assistant Vice President,
Acquisition Policy

Attachment

Line	Proposed Rule	Proposed Change	Reason	Comments
1	<p>[Federal Register: May 7, 2010 (Volume 75, Number 88)] [Proposed Rules] [Page 25160-25161]</p> <p>PART 211--DESCRIBING AGENCY NEEDS</p> <p>211.274-5 [Redesignated as 211.274-6]</p> <p>2. Redesignate section 211.274-5 as 211.274-6.</p> <p>3. Add section 211.274-5 to read as follows:</p>			
2	<p>211.274-5 Policy for tagging, labeling, or marking of Government- furnished property.</p>			
3	<p>(a) It is DoD policy that the appropriate tagging, labeling, or permanent marking of Government-furnished property, based on DoD marking standards (MIL Standard 130) or other standards, be required for Government-furnished property items where the requiring activity determines that such items are subject to serialized item management (serially-managed items).</p>			
4	<p>(b) Exceptions. The contractor will not be required to tag, label, or mark Government-furnished property if such items were previously tagged, labeled, or marked.</p>			

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5	<p>3. In newly redesignated 211.274-6, add paragraph (c) to read as follows:</p> <p>211.274-6 Contract clauses.</p> <p>*****</p> <p>(c) Use the clause at 252.211-70YY, Tagging, Labeling, and Marking of Government-furnished Property, in solicitations and contracts that contain the clause at--</p> <p>(1) FAR 52.245-1, Government Property; or</p> <p>(2) FAR 52.245-2, Government Property Installation Operation Services.</p>			
6	<p>PART 252--SOLICITATION PROVISIONS AND CONTRACT CLAUSES</p> <p>4. Add section 252.211-70YY to read as follows:</p> <p>252.211-70YY Tagging, Labeling, and Marking of Government-furnished Property.</p> <p>As prescribed in 211.274-6(c), use the following clause:</p>			

	TAGGING LABELING, AND MARKING OF GOVERNMENT- FURNISHED PROPERTY (DATE)			
Line	Proposed Rule	Proposed Change	Reason	Comments
7	(a)Definitions. As used in this clause—			
8	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, including performance by subcontractors and at Prime Contractor Alternate locations. Government-furnished property includes reparables, 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.			
9	Serially-managed item means an item designated by DoD to be uniquely tracked, controlled, or managed in maintenance, repair, and/or supply systems by means of its serial number.			
10	(b) The Contractor shall tag, label, or mark Government-furnished property items identified in the contract when the requiring activity determines that such items are subject to serialized item management (serially-managed items).	b) The Contractor shall tag, label, or mark Government-furnished property items identified in the contract when the requiring activity determines that such items are subject to serialized item management (serially-	Contractors need instructions – Government needs to have PGI in place that states the requiring activity must provide to the CO who must provide drawings and instructions to	

	Line	Proposed Rule	Proposed Change	Reason	Comments
11	(c) Exceptions. Paragraph (b) of this clause does not apply to--	managed items) and the contract provides the how and where to mark.	Add an new exception: (7) Property that will be used on a follow-on contract within the same company and which has a virtual UID	issue with the RFP and included in the contract whenever marking is required. If this information is not provided, and part is marked improperly, structural integrity may be impacted. In addition, this cannot be an unfunded requirement. A possible alternative is a CDRL.	
12	(1) Government-furnished property that was previously marked; (2) Contractor-acquired property; (3) Property under any statutory leasing authority; (4) Property to which the Government has acquired a lien or title solely because of partial, advance, progress, or performance- based payments; (5) Intellectual property or software; or (6) Real property.			There is an expense involved in tagging, labeling, or marking Government property with a machine readable 2D mark. While there is benefit in marking Government property being returned to the Government, there is not a corresponding benefit for marking property that is already labeled with a company-specific unique label and has a virtual UID that will roll over from one contract to another for the same company.	