



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

JAN 30 2015

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION AND PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Compliance with Defense Federal Acquisition Regulation Supplement Subpart
252.211-7003, Item Identification and Valuation

Reference: Director, Defense Procurement and Acquisition Policy memorandum, "IUID DFARS
Rule Compliance Reporting," dated December 4, 2007

Implementation of DoD Instruction 8320.04, "Item Unique Identification (IUID) Standards for Tangible Personal Property" requires that the DoD Component Heads ensure items meeting the requirements for IUID marking and registration are listed in purchase requests. Contracting personnel will then ensure that Defense Federal Acquisition Regulation Supplement (DFARS) Subpart 252.211-7003 and the listed items for IUID marking and registration are included in contracts. These actions are critical to provide an audit baseline for existence and completeness for DoD, and enable the DoD to mark, value, and control items uniquely, starting at the point of acceptance by the Government. Lifecycle item level traceability is a critical capability provided by IUID for the identification and prevention of non-conformances in the supply chain.

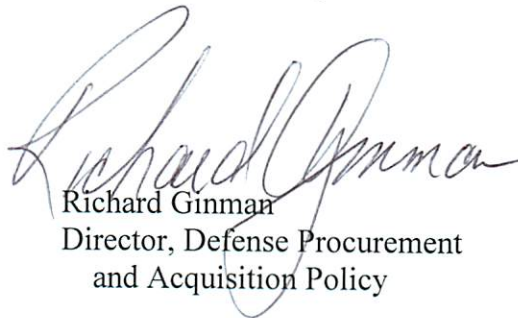
In collaboration with the Assistant Secretary of Defense for Logistics & Materiel Readiness (ASD(L&MR)), the Director, Defense Procurement and Acquisition Policy (DPAP) compiled procurement data on supply contracts awarded from August 1, 2011, through August 31, 2013, indicating that the DFARS Subpart 252.211-7003 compliance rate was less than 50%. This effort resulted in an update to the 2007 clause compliance approach.

Accountability and auditability cannot be achieved if contracts do not contain the required contract clauses. I ask that you compile Component-level compliance reports that reflect the rate of inclusion of DFARS Subpart 252.211-7003 in contracts procuring IUID relevant items. The DFARS Subpart 252.211-7003 compliance reports will be submitted quarterly for contracts awarded the previous fiscal quarter. The initial revised compliance report

is due on April 30, 2015, for the quarter ending March 31, 2015. Submit the reports to Mr. Chris Webster via e-mail at chris.webster@dla.mil. This memorandum supersedes the reference.

In parallel with Component compliance reports, DPAP will independently perform verification and validation of DFARS Subpart 252.211-7003 compliance rates in accordance with the method described at www.dodprocurementtoolbox.com/page/overview/implementation. If significant discrepancies are identified between DPAP-calculated compliance rates and Component reported metrics, additional investigation into root cause will be performed in collaboration with the Component contracting offices.

As implementation of the Procurement Data Standard matures over the next year, the quarterly DPAP independent verification and validation of DFARS Subpart 252.211-7003 compliance will eventually sunset the need for the components to compile and submit quarterly compliance metrics.



Richard Ginman
Director, Defense Procurement
and Acquisition Policy

cc:
ASD(L&MR)
DASD(SCI)