

DEPARTMENT OF DEFENSE**48 CFR Parts 201 and 204**

[DFARS Case 97-D033]

Defense Federal Acquisition Regulation Supplement; Uniform Procurement Instrument Identification

AGENCY: Department of Defense (DoD).

ACTION: Proposed rule with respect for comments.

SUMMARY: The Director of Defense Procurement is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to revise procedures for assigning procurement instrument identification numbers to contracts, agreements, modifications, and orders. The existing procedures do not provide a sufficient number of identifiers for those activities that place a high volume of orders under another activity's contract or agreement. The proposing changes would increase the number of available identifiers by incorporating the issuing activity's six-digit code into the instrument identification number.

DATES: Comments on the proposed rule should be submitted in writing to the address specified below on or before June 28, 1999, to be considered in the formation of the final rule.

ADDRESSES: Interested parties should submit written comments on the proposed rule to: Defense Acquisition Regulations Council, Attn: Ms. Melissa Rider, PDUSD (A&T) DP (DAR), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062. Telefax (703) 602-0350. Please cite DFARS Case 97-D033.

E-mail comments submitted over the Internet should be addressed to: dfars@acq.osd.mil.

Please cite DFARS Case 97-D033 in all correspondence related to this issue. E-mail correspondence should cite DFARS Case 97-D033 in the subject line.

FOR FURTHER INFORMATION CONTACT: Ms. Melissa Rider, (703) 602-0131. Please cite DFARS Case 97-D033.

SUPPLEMENTARY INFORMATION:**A. Background**

An advance notice of proposed rulemaking (ANPR) was published in the **Federal Register** on December 16, 1997 (62 FR 65782). The ANPR solicited comments on a contemplated revision of DFARS guidance pertaining to uniform procurement instrument identification numbers (PIINs). As a result of comments received in response to the ANPR and further DoD review of this

issue, a proposed rule has been developed to include the following DFARS changes:

1. The Director, Defense Procurement, will be the approving authority for any deviation from the uniform PIIN policy. Consistent application of the PIIN policy will facilitate the generation of reliable contract data.

2. The PIIN will consist of a linkage of a basic number, the code assigned by the agency to the activity issuing the contract action, and, if necessary, a supplementary number. The issuing activity code is the same code that already appears in the "Issued by" block of most contracting forms. No new information is needed to support this concept. The three linked fields will form a unique identification number.

3. The two-digit alpha identifiers will be removed from the DFARS Appendix G activity address listings. The codes presently are used in the first two positions or an order number to identify an activity that is placing an order under another activity's contract or agreement. Use of the six-digit issuing activity code in the PIIN will eliminate the need for the Appendix G two-digit identifier code in the order number. This will increase the number of available positions in most order numbers from two to four, thereby greatly expanding the available number of identifiers.

4. The six-digit issuing activity code will also be used to identify the contracting office in Block A3 of DD Form 350, Individual Contracting Action Report, replacing the existing five-digit coding system.

5. The ninth-position alpha codes are revised as follows:

a. Given the new linkage concept, less alpha codes will be needed to cover the number of requests for quotations and purchase orders issued in a fiscal year. Therefore, only two ninth-position alpha codes will be assigned to each category. They are designated as Series I and Series II to permit agency designation of certain blocks of basic numbers for different types of instruments (e.g., electronic commerce, paper-based, computer-generated).

b. Code "F" will no longer be used for orders placed with or through other departments or agencies. Instead, the alpha code indicating the type of instrument will be used (e.g., a purchase order issued under a GSA Federal Supply Schedule contract will be coded "M").

c. Code "Y" will be used for blanket purchase agreements (BPAs) established under contracts issued by another agency, such as a BPA established under

a GSA Federal Supply Schedule contract.

d. Code "K" will no longer be used to identify short form research contracts, as this type of contract is no longer addressed in the DFARS.

Amendments to the DD Form 250, Material Inspection and Receiving Report, will also be needed, as that form presently does not use the issuing activity code as a data element. DD Form 250 changes will be addressed in a future DFARS case.

B. Regulatory Flexibility Act

The proposed rule is not expected to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, because the rule employs information that already exists in DoD contracts, agreements, modifications, and orders. It is anticipated that little or no programming effort will be required for contractors to accommodate the new numbering system. An initial regulatory flexibility analysis has, therefore, not been performed. Comments are invited from small businesses and other interested parties. Comments from small entities concerning the affected DFARS subparts also will be considered in accordance with 5 U.S.C. 610. Such comments should be submitted separately and should cite DFARS Case 97-D033 in correspondence.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the rule does not impose any information collection requirements that require the approval of the Office of the Management and Budget under 44 U.S.C. 3501, *et seq.*

List of Subjects in 48 CFR Parts 201 and 204

Government procurement.

Michele P. Peterson,

Executive Editor, Defense Acquisition Regulations Council.

Therefore, 48 CFR Parts 201 and 204 are proposed to be amended as follows:

1. The authority citation for 48 CFR Parts 201 and 204 continues to read as follows:

Authority: 41 U.S.C. 421 and 48 CFR Chapter 1.

PART 201—FEDERAL ACQUISITION REGULATIONS SYSTEM

2. Section 201.402 is amended by revising paragraph (1) to read as follows:

201.402 Policy.

(1) The Director of Defense Procurement, Office of the Under

Secretary of Defense (Acquisition and Technology), USD (A&T) DP, is the approval authority within DoD for—

(i) Any individual deviation from—
 (A) FAR 3.104, Procurement Integrity, or DFARS 203.104, Procurement Integrity;
 (B) FAR Subpart 27.4 Rights in Data and Copyrights, or DFARS Subpart 227.4, Rights in Data and Copyrights;
 (C) DFARS Subpart 204.70, Uniform Procurement Instrument Identification Numbers;
 (D) FAR Part 30, Cost Accounting Standards Administration, or DFARS Part 230, Cost Accounting Standards Administration;

(E) FAR Subpart 31.1, Applicability, or DFARS Subpart 231.1, Applicability (contract cost principles);

(F) FAR Subpart 31.2, Contracts with Commercial Organizations, or DFARS Subpart 231.2, Contracts with Commercial Organizations; or

(G) FAR Part 32, Contract Financing (except Subparts 32.7 and 32.8 and the payment clauses prescribed by Subpart 32.1), or DFARS Part 232, Contract Financing (except Subparts 232.7 and 232.8); or

(ii) Any class deviation.

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PART 204—ADMINISTRATION MATTERS

3. Subpart 204.7 is revised to read as follows:

Subpart 204.7—Uniform Procurement Instrument Identification Numbers

Sec.

204.7000 Scope.

204.7001 General.

204.7002 Basic number.

204.7003 Activity code.

204.7004 Supplementary numbers.

204.7004-1 Amendments to solicitations.

204.7004-2 Orders and calls under contracts and agreements.

204.7004-3 Modifications.

Subpart 204.7—Uniform Procurement Instrument Identification Numbers

204.7000 Scope.

This Subpart—

(a) Prescribes procedures for uniform assignment of identification numbers to procurement instruments; and

(b) Applies to all DoD procurement instruments except communication service authorization issued by the Defense Information Technology Contracting Organization.

204.7001 General.

(a) The procurement instrument identification number (PIIN) consists of the linkage of basic number, the issuing activity's code, and, if necessary, a supplementary number.

(b) When establishing a PIIN—

(1) Use alpha-numeric characters as prescribed in this subpart; and

(2) Do not use the letter I or O.

(c) Separate the major elements of a basic number entered on a paper instrument (e.g., N00023-00-B-0120. If there is no assigned space on the instrument, enter the basic number in the upper right corner and identify the type of instrument (e.g., Solicitation Number N00023-00-B-0120).

(d) If department or agency procedures require additional numbers on procurement instruments, keep the additional numbers clearly separate from the identification numbers prescribed in this subpart.

(e) Retain the same identification numbers for the life of the instrument.

(f) When establishing a blanket purchase agreement (BPA) under a Federal Supply Schedule (see FAR 8.404(b)(4)) or other contract—

(1) Develop a PIIN for the BPA in accordance with this subpart; and

(2) Identify the Federal Supply Schedule or other contract number in the BPA and in each order placed under the BPA.

(g) When placing an order under another agency's contract or agreement, use the basic number assigned by the other agency.

204.7002 Basic number.

Assign a 13-character basic number to an instrument as follows:

(a) *Positions 1 through 6.* The first six positions contain the activity identifier shown in Appendix G.

(1) The first part of this series identifies the department or agency as follows:

(i) Department of the Army—DA
 (ii) Department of the Navy (except Marine Corps)—N

(iii) Department of the Air Force—F
 (iv) Defense Information Systems Agency—DCA

(v) Defense Logistics Agency—S

(vi) Defense Threat Reduction Agency—DTRA

(vii) National Imagery and Mapping Agency—NMA

(viii) Miscellaneous Defense Activities—MDA

(ix) Marine Corps—M

(x) Ballistic Missile Defense Organization—HQ0006

(xi) Defense Commissary Agency—(DECA)

(xii) United States Special Operations Command—USZA

(xiii) Defense Micro-Electronic Agency—DMEA

(2) The last part of this series identifies the office issuing the instrument.

(3) Use all six positions. If necessary, enter zeros between the department or agency identifier and the issuing office identifier.

(4) Use all six positions. If necessary, enter zeros between the department or agency identifier and the issuing office identifier.

(5) Use all six positions. If necessary, enter zeros between the department or agency identifier and the issuing office identifier.

(6) Use all six positions. If necessary, enter zeros between the department or agency identifier and the issuing office identifier.

(7) Use all six positions. If necessary, enter zeros between the department or agency identifier and the issuing office identifier.

(8) Use all six positions. If necessary, enter zeros between the department or agency identifier and the issuing office identifier.

(9) Use all six positions. If necessary, enter zeros between the department or agency identifier and the issuing office identifier.

(10) Use all six positions. If necessary, enter zeros between the department or agency identifier and the issuing office identifier.

(11) Use all six positions. If necessary, enter zeros between the department or agency identifier and the issuing office identifier.

(12) Use all six positions. If necessary, enter zeros between the department or agency identifier and the issuing office identifier.

(13) Use all six positions. If necessary, enter zeros between the department or agency identifier and the issuing office identifier.

(14) Use all six positions. If necessary, enter zeros between the department or agency identifier and the issuing office identifier.

(15) Use all six positions. If necessary, enter zeros between the department or agency identifier and the issuing office identifier.

(16) Use all six positions. If necessary, enter zeros between the department or agency identifier and the issuing office identifier.

(b) *Positions 7 and 8.* The seventh and eight positions are the last two digits of the fiscal year in which the basic number is assigned.

(c) *Position 9.* Indicate the type of instrument by entering one of the following upper case letters in position nine. (For contracting actions for listed or non-listed items with Javits-Wagner-O'Day participating non-profit agencies or Federal Prison Industries, and contracting actions with other Government agencies, select the code for the type of instrument being issued.)

(1) Blanket purchase agreement, except a blanket purchase agreement established under a Federal Supply Schedule or another agency's contract—A

(2) Invitation for bids—B

(3) Contract other than indefinite-delivery contract, facilities contract, or sales contract—C

(4) Indefinite-delivery contract—D

(5) Facilities contract—E

(6) [Reserved]—F

(7) Basic ordering agreement—G

(8) Agreement, including basic agreement and loan agreement, but excluding blanket purchase agreement, basic ordering agreement, and lease agreement—H

(9) Do not use—I

(10) [Reserved]—J

(11) [Reserved]—K

(12) Lease agreement—L

(13) Purchase order—Series I—M*

(14) Notice of intent to purchase—N

(15) Do not use—O

(16) Purchase order—Series II—P*

(17) Request for quotations—Series I—Q*

(18) Request for proposals—R

(19) Sales contract—S

(20) Request for quotations—Series II—T*

(21) [Reserved]—U

(22) [Reserved]—V

(23) [Reserved]—W

(24) Reserved for departmental use—X

(25) Blanket purchase agreement under a Federal Supply Schedule or another agency's contract—Y

(26) Reserve for departmental use—Z

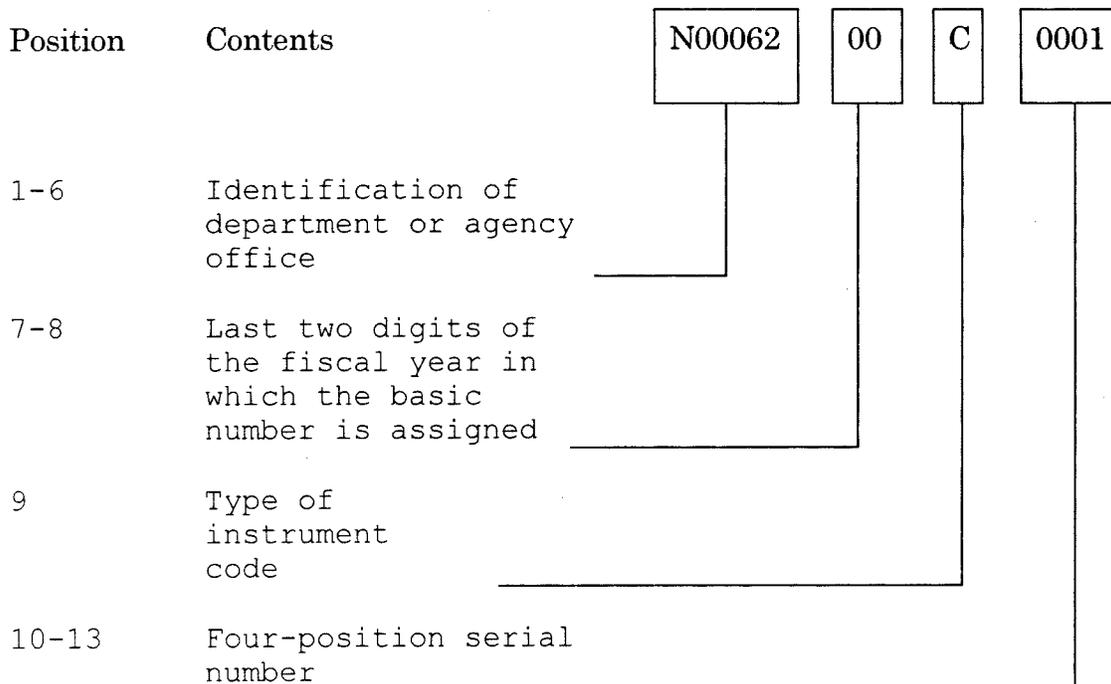
*Agencies may authorize the use of different series numbers to accommodate automated systems.

(d) *Position 10 through 13.*

Enter the serial number of the instrument in these positions. A separate series of serial numbers may be used for any type of instrument listed in paragraph (c) of this section. Ensure that serial numbers within the same PIIN are not duplicated within an activity.

(e) *Illustration of basic number.* The following illustrates a properly configured basic number:

BILLING CODE 5000-04-M



BILLING 5000-04-C

204.7003 Activity code.

A six-digit code follows the basic number in a PIIN. This is the code for the activity issuing the instrument.

204.7004 Supplementary numbers.

204.7004-1 Amendments to solicitations.

Use of four-position number to identify amendments to solicitations (solicitations have code B, N, Q, R, or T in the ninth position of the basic number). Number amendments sequentially beginning with 0001, e.g., RFP N00062-00-R-1234, Activity Code N00062, Amendment 0001.

204.7004-2 Orders and calls under contracts and agreements.

Assign numbers to orders and calls under contracts and agreements, except orders under lease or ship repair agreements, as follows (contracts and agreements have code A, D, G, or H in the ninth position of the basic number):

(a) *Order or call placed by the activity that awarded the contract or agreement.* Use a four-position serial number for the order to call.

(1) First use numeric identifiers, beginning with 0001, e.g., Indefinite delivery contract N00383-00-D-0001, Activity Code N00383, Order 0001.

(2) When the numbers exceed 9999, use alpha characters in the second, third, and fourth positions.

(3) Do not use alpha characters in the first position.

(b) *Order or call placed by an activity under another activity's contract or agreement.* Use a four-position serial number for the order or call.

(1) For an order under a Federal schedule—

(i) Use an F in the first position if the order is being placed under a GSA Federal Supply Schedule;

(ii) Use a J in the first position if the order is being placed under any other type of Federal schedule; and

(iii) In the second, third, and fourth positions—

(A) First use numeric identifiers, beginning with 001; and

(B) When the numbers exceed 999, use alpha or alpha-numeric characters.

(2) For an order under a contract that is not a Federal schedule—

(i) First use numeric identifiers, beginning with 0001;

(ii) When the numbers exceed 9999, use alpha or alpha-numeric characters; and

(iii) Do not use the letter, A, F, J, or P in the first position.

204.7004-3 Modifications.

(a) *Modifications to contracts, agreements, and purchase orders.* (This policy applies to instruments coded C, E, L, M, P, or S in the ninth position of the basic number.)

(1) Use a six-position modification number as follows:

(i) *Position 1.* Identify the office issuing the modification as follows:

- (A) Contract administration office A
- (B) Contracting office P

(ii) *Positions 2 and 3.* These are the first two digits in a serial number. They may be either alpha or numeric. Use the letter K, L, M, N, P, Q, S, T, U, V, W, X, Y, or Z only in the second position and only in the following circumstances:

(A) Use K, L, M, N, P, or Q in the second position if the modification is issued by the Air Force and is a provisioned item order. The Navy also may use K in the second position to identify a provisioned item order.

(B) Use S in the second position to identify modifications issued to provide initial or amended shipping instructions when—

(1) The contract has either FOB origin or destination delivery terms; and

(2) The price changes.

(C) Use T, U, V, W, X, or Y in the second position to identify modifications issued to provide initial or amended shipping instructions when—

(1) The contract has FOB origin delivery terms; and

(2) The price does not change.

(D) Use Z in the second position to identify a modification that definitizes a letter contract or other unpriced action.

(iii) *Positions 4 through 6.* These positions are always numeric. Use a separate series of serial numbers for each type of modification listed in paragraph (a)(1)(ii) of this subsection. Examples of proper numbering for positions 2-6 (the first position will be either A or P) are as follows:

Normal modification	Provisioned items order (Reserved for use by Air Force or Navy only)	Shipping instructions
00001-99999	K0001-K9999	S0001-S9999
..... then	KA001-KZ999	SA001-SZ999
A0001-A9999	L0001-L9999	T0001-T9999
B0001-B9999	LA001-LZ999	TA001-TZ999
..... and so on to	M0001-M9999	U0001-U9999
H0001-H9999	MA001-MZ999	UA001-UZ999
..... then	N0001-N9999	V0001-V9999
J0001-J9999	NA001-NZ999	VA001-VZ999
..... then	P0001-P9999	W0001-W9999
R0001-R9999	PA001-PZ999	WA001-WZ999
..... then	Q0001-Q9999	X0001-X9999
AA001-HZ999	QA001-QZ999	XA001-XZ999
..... then	Y0001-Y9999
JA001-JZ999	YA001-YZ999
RA001-RZ999.

(2) If a contract administration office is changing the contract administration or disbursement office for the first time and is using computer-generated modifications to notify many offices, use the six-position identification number ARZ999. If either office is changed again during the life of the contract, use the identification number ARZ998, and on down as needed.

(3) Each office authorized to issue modifications must assign the identification numbers in sequence. Do not assign a number until it has been determined that a modification will be issued.

(b) Modifications to orders and calls.

(This policy applies to instruments coded A, D, G, or H in the ninth position of the basic number, orders placed under a Federal Supply Schedule, and orders placed under a contract or agreement awarded by a non-DoD agency.) Use a two-position modification number as follows:

(1) Modifications issued by a purchasing office begin with 01, 02, and so on through 99, then B1 through B9, BA through BZ, C1 through C9, and so on through ZZ (e.g., Contract F04611-01-D-0125, Activity Code FA9300, Order 0002, Modification 01).

(2) Modifications issued by a contract administration office begin with 1A, 1B, and so on through 9Z, followed by A1, A2, and so on to A9, then AA, BB, and so on through AZ.

[FR Doc. 99-10547 Filed 4-27-99; 8:45 am]
BILLING CODE 5000-04-M

DEPARTMENT OF DEFENSE

48 CFR Part 225

[DFARS Case 99-D005]

Defense Federal Acquisition Regulation Supplement; Foreign Military Sales Customer Observation of Negotiations

AGENCY: Department of Defense (DoD).

ACTION: Proposed rule with request for comments.

SUMMARY: The Director of Defense Procurement is proposing to amend the Defense Federal Acquisitions Regulations Supplement (DFARS) to specify that, if requested by a foreign military sales (FMS) customer, the contracting officer should permit the FMS customer to observe contract price negotiations and should provide the FMS customer with information regarding price reasonableness.

DATES: Comments on the proposed rule should be submitted in writing to the address specified below on or before June 28, 1999, to be considered in the formation of the final rule.

ADDRESSES: Interested parties should submit written comments on the proposed rule to: Defense Acquisition Regulations Council, Attn: Ms. Amy Williams, PDUSD (A&T) DP (DAR), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3061. Telefax (703) 602-0350. Please cite DFARS Case 99-D005.

E-mail comments submitted over the Internet should be addressed to: dfars@acq.osd.mil

Please cite DFARS Case 99-D005 in all correspondence related to this issue. E-mail correspondence should cite DFARS Case 98-D005 in the subject line.

FOR FURTHER INFORMATION CONTACT: Ms. Amy Williams, (703) 602-0131. Please cite DFARS Case 99-D005.

SUPPLEMENTARY INFORMATION:

A. Background

FMS customers have expressed an interest in becoming more involved in the preparation of contracts that DoD awards on their behalf. They have requested the opportunity to observe price negotiations and to receive assurances that their contract prices are reasonable. This rule proposes revisions to DFARS 225.7304 to specify that, if requested by an FMS customer, the contracting officer should provide the FMS customer with an explanation of the reasonableness of the negotiated price of its contract; and should permit the FMS customer to observe price negotiations if the prospective contractor consents and the FMS customer provides certain written assurances.

B. Regulatory Flexibility Act

The proposed rule is not expected to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., because involvement of FMS customers in the contracting process should have no significant effect on offerors or contractors. The contracting officer must obtain permission from a prospective contractor before permitting an FMS customer to observe price negotiations. In addition, the FMS customer must provide written assurance that it will not disclose any proprietary or other contract or data except as specifically authorized by the contractor. An initial regulatory flexibility analysis has, therefore, not been performed. Comments are invited from small businesses and other interested parties. Comments from small entities