



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

MAR 2 2011

MEMORANDUM FOR DISTRIBUTION

Subject: ITEM UNIQUE IDENTIFICATION (IUID) DEFENSE FEDERAL
ACQUISITION REGULATION SUPPLEMENT (DFARS) COMPLIANCE
BY CONTRACTING OFFICERS DURING ACQUISITION ACTIVITIES

- References:
- (a) DFARS 252.211-7003, "Item Identification and Valuation," August 2008
 - (b) DFARS 252.211-7007, "Reporting of Government-Furnished Equipment in the DoD Item Unique Identification (IUID) Registry," November 2008
 - (c) DFARS 252.245-7001, "Tagging, Labeling, and Marking of Government-Furnished Property," February 2011
 - (d) FARS 211.274-2, "Policy for Unique Item Identification," September 27, 2010
 - (e) DoDI 8320.04, "Item Unique Identification (IUID) Standards for Tangible Personal Property," June 16, 2008
 - (f) "Item Unique Identification (IUID) of Tangible Personal Property – Policy Refinement for Secondary Items in Use or in Inventory," December 30, 2010
 - (g) SECNAVINST 4440.34, "Implementation of Item Unique Identification (IUID) in the Department of Navy," December 22, 2009
 - (h) DoDI 5000.02, "Operation of the Defense Acquisition System," December 8, 2008
 - (i) DoDD 8320.03, "Unique Identification (UID) Standards for a Net-Centric Department of Defense," March 23, 2007
 - (j) DoDD 4151.19, "Serialized Item Management (SIM) for Materiel Maintenance," December 26, 2006
 - (k) DoDD 4140.1-R, "Supply Chain Materiel Management Regulation," May 23, 2003

The Department of Defense mandated that acquisition activities include the IUID DFARS requirements, references (a) through (d), established pursuant to references (e) and (f). The requirement for use of IUID throughout the lifecycle is further amplified in references (g) through (k). The Department of Navy has achieved 96% compliance on including the DFARS clauses in our contracts. Statistical sampling by the OSD Office of the Director of Defense Procurement and Acquisition Policy (DPAP) indicates the

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DFARS clauses are not being fully executed based on the reporting of items in the IUID Registry. Additionally, we have received anecdotal reports of programs bypassing implementation of the requirement.

Your leadership is critical to ensure full compliance with DFARS requirements and intent by including appropriate contract language and ensuring delivery of the requirements. The IUID requirement is mandatory, apart from formal exceptions cited in OSD policy, references (a) through (f). The Contracting Officer (CO) cannot exempt an item from IUID, cannot waive the requirement, and should not create and separately price an IUID Contract Line Item Number (CLIN). The CO should negotiate pricing in good faith, and acquire an Independent Government Cost Estimate from the Program Manager when needed. COs shall work with respective Program Managers to ensure each contract addresses: 1) a Statement of Work that includes appropriate Contract Data Requirements List (CDRL), Data Item Descriptions (DID), and requests for Engineering technical data for IUID marks on special items or for special operational environments; 2) a complete list of items to be marked and registered in accordance with references (e) and (f); 3) accurate registration of the Unique Item Identifiers (UII) and associated data in the national DoD IUID Registry in accordance with references (a) and (b); and 4) generation of a Determination and Finding (D&F) and obtaining approval for any contractor that claims they cannot meet the terms and conditions contained in the contract for the IUID requirement in accordance with reference (d).

Please ensure that all personnel involved in acquisition contracts are aware of the policies and procedures set forth in the referenced documents. My point of contact for this matter is Ms. Mindy Rash-Gehres at mindy.rash-gehres@navy.mil or 703-614-8000.



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