

items under \$5,000 requiring unique identification must be identified in paragraph (c)(1)(ii) of the clause, and embedded items that require unique identification will be identified in a Contract Data Requirements List or other exhibit that is cited in paragraph (c)(1)(iii) of the clause.

10. *Comment:* A respondent suggested that a Contract Data Requirements List be used for unique identification when required below the contract line or subline item level.

*DoD Response:* DoD has revised the rule so that subassemblies, components, and parts that are embedded in items that require unique identification will be identified in a Contract Data Requirements List or other exhibit that is cited in paragraph (c)(1)(iii) of the clause at DFARS 252.211-7003.

11. *Comment:* Several respondents suggested that unique identification is inconsistent with FAR Part 12, Acquisition of Commercial Items, and that an exception be made for items acquired under FAR Part 12 contracts.

*DoD Response:* Do not concur. The rule is considered to be a strategic imperative, necessary to efficiently move supplies to warfighters. DoD acquires a large number of items under FAR Part 12 contracts. These items can not be excluded from unique identification requirements.

12. *Comment:* A respondent asked whether unique identification requirements will apply to classified contracts; another respondent asked whether the requirements will apply to foreign military sales contracts.

*DoD Response:* Yes. There are no exceptions to the policy.

13. *Comment:* Several respondents cited problems and confusion resulting from the requirement that acquisition cost be identified a contract line, subline, or informational subline item when structuring the contract, while acquisition cost for cost-type contracts could not be identified until delivery.

*DoD Response:* The rule has been revised to clarify that the contractor is required to provide the unique identification and the acquisition cost at the time of delivery.

14. *Comment:* Several comments were received concerning applicability of the rule to existing contracts, orders under existing basic ordering agreements (BOAs), and options under existing contracts.

*DoD Response:* The rule applies to new solicitations issued on or after January 1, 2004. DoD Policy memorandum dated November 26, 2003, Update to Policy for Unique Identification (UID) of Tangible Items—New Equipment, Major Modifications,

and Reprocurements of Equipment and Spares, addresses this issue as follows:

“The UID policy strongly encourages Component Acquisition Executives to incorporate UID requirements into ongoing contracts where it makes business sense to do so. Since BOAs awarded before January 1, 2004, would be an ongoing agreement, UID requirements can be included in orders issued under the BOA whenever the program/item manager determines it is feasible to do so.” Component Acquisition Executives should also incorporate UID requirements when exercising options where it makes business sense to do so.

15. *Comment:* A respondent suggested unique identification is inconsistent with the simplified acquisition threshold, and that the prescription for the clause at DFARS 252.211-7003 should exclude contracts below the simplified acquisition threshold.

*DoD Response:* Do not concur. The rule is considered to be a strategic imperative, necessary to efficiently move supplies to warfighters. Items acquired under the simplified acquisition threshold can not be excluded from unique identification requirements.

16. *Comment:* The semantics/syntax (ISO 15434/15418) use unprintable characters for record separators and group separators. It is impossible for the quality organization to verify the validity of the 2D Matrix content if the visual representation of “required” characters is, in-effect, “invisible (unprintable)”. As a part is marked, the ISO 9000 quality requirements specify that the content of the information encoded into the 2D Matrix be verified. “Invisible” characters are “impossible” to verify. As so, this solution may not be ISO 9000 compliant. This should be verified.

*DoD Response:* The only standard that uses unprintable characters for record separators and group separators is ISO/IEC 15434. It will be sufficient to verify only that the software of the automatic information technology readers and printers used to construct and print the data matrix symbol is compliant with ISO/IEC 15434.

17. *Comment:* Procedures should be developed to address how unique identification will be constructed when the Government buys items that are surplus, remanufactured, or overhauled after initial manufacture.

*DoD Response:* If the item does not already have unique identification and meets the criteria for unique identification, the enterprise furnishing the item must provide unique

identification marking as part of the purchase price.

18. *Comment:* In research and development contracting, software is often a deliverable item. In some cases, the software to be delivered is commercial software, and the acquisition cost would be the price paid for the license. However, most of the software being delivered under a research and development contract is software that was developed during performance. The “item” definition neither includes nor excludes software. Is commercial software considered an “item” by definition. Is developed software considered an “item”? Both are required to be delivered, are produced, and are tangible. However, one could also argue that developed software is data, because the source and object code and manuals are delivered via the use of Contract Data Requirements Lists. Therefore, the acquisition cost of the medium (CD, disk) in which the software is delivered would be minimal and would not meet the threshold requirements of the clause.

*DoD Response:* For purposes of unique identification and valuation, software, manuals, and other forms of information are not considered to be “items”. The definition of “item” has been changed to refer to “a single hardware article or unit formed by a grouping of subassemblies, components, or constituent parts” to clarify this point.

19. *Comment:* Two respondents suggested there is no value to the rule.

*DoD Response:* Do not concur. These are subjective judgments. DoD finds considerable value in the rule.

20. *Comment:* One respondent suggested that the rule was unclear and should be redrafted.

*DoD Response:* DoD has redrafted significant portions of the rule to improve clarity.

21. *Comment:* One respondent asked how the Government would identify which type of identification system the contractor is using, if multiple choices were allowed, and whether Government personnel would have to be educated on the different identification systems?

*DoD Response:* Marking must be in accordance with the version of MIL-STD-130 in effect at the time of contract award, regardless of the system used to mark items. Government personnel are familiar with the MIL-STD-130.

22. *Comment:* A respondent asked whether references to “cost” should be changed to “value,” and whether all references to contract line item structure should be incorporated in the prescriptive language of DFARS Part